NHS
Northern Devon Healthcare
NHS Trust

Annual report and accounts

April 2019 – March 2020

Contents

Chairman's introduction

It is my pleasure to introduce our annual report and accounts for 2019/20

This year has been another challenging year for the NHS in England and we've continued to see demand outstripping resource. This has been reflected here at Northern Devon Healthcare NHS Trust (NDHT) with significantly higher levels of demand on our services than forecast. I am incredibly proud of our staff, who in spite of these challenges, have worked tirelessly to deliver services within our resources and have improved both access to, and the quality of our service.

We received our Care Quality Commission (CQC) inspection report in September 2019 following its inspection in May. Although our position was kept at 'requires improvement', overall the report recognises the significant positive changes we have made since last CQC inspection in 2017. Inspectors highlighted many areas of outstanding and good practice across the Trust including in urgent and emergency care, maternity, end of life and outpatients and our community teams.

A key early focus of the collaborative agreement between NDHT and the Royal Devon and Exeter NHS Foundation Trust (RD&E) was to oversee and expedite the required improvements in maternity services and I was pleased to see CQC's acknowledgement of improvements in our maternity services with the rating for well-led going from 'requires improvement' in 2017 to 'good' in 2019.

Following the significant progress made in the maternity department the chief nursing officer for England notified the Trust this year that it could exit the national Maternity Safety Support Programme, from which the Trust was receiving support from NHS Improvement's maternity improvement advisory team.

Behind these inspections and ratings is of course the overriding focus on our patients, their families and our services. A number of our services received excellent national patient experience survey results this year including maternity, the emergency department and minor injuries units and our children and young people's services. Areas for continued improvement were highlighted and we'll be focussing on those as we move into 2020/21, but overall the confidence in our services felt by patients is very positive.

I have always been honest about the significant challenges NDHT faces, particularly in terms of rurality and remoteness: North Devon District Hospital is the most remote hospital in mainland England. NDHT and the RD&E entered into an unique collaborative agreement in 2018 to support NDHT to provide leadership and management support to address its challenges.

Our collaborative working with the RD&E has delivered so much already and to have done this within the financial envelope we had is quite an achievement. The collaboration with the RD&E is allowing us to take a different approach to creating really attractive posts for senior doctors, ensuring that our staff have fulfilling careers and our services are more resilient. The benefit and learning is not one way. Those of us who came from the RD&E have been incredibly impressed with how NDHT has filled gaps by thinking in a creative, problem-solving way for example.

You'll read more about the progress made since the outset of this agreement in the pages of this report. We are building the confidence our regulators have in us and in 2019 the Trust was notified that NHS Improvement no longer considered NDHT to be a 'challenged provider'.

This year, as part of that agreement, an options appraisal was undertaken to look at sustainable, long-term solutions to the challenges faced by NDHT and what the best organisational form would be to rise to these challenges. I'd like to thank everyone who took part in this work and shared their views with us. Your involvement is key to us understanding how we deliver the services needed and how we ensure those services are safe, high quality and sustainable, and provide good access to our communities, for years to come.

Following this work, the Boards of NDHT and the RD&E agreed in December that we will explore joining together on a more formal basis and as we move into 2020/21, the Boards will be working together to determine next steps.

Although welcome, the national funding settlement alone will not deliver the financial and operational recovery the NHS needs. Devon has one of the most challenged health economies in the country and it is important that we all take responsibility for improving productivity and ensuring there is a fair allocation of national resource for our population in Devon. The route to recovery is not to cut or reduce services but to transform them. I do believe we can do more for less. The right capital investment, properly spent on technology for example will allow us to direct our resources where they are needed most.

I believe that the most significant issue we face in the NHS is not money, but workforce. We have a shortage of more than 100,000 staff across the NHS and unless managed carefully this gap will continue to grow. NDHT and our fellow trusts are trying to plug the gap to ensure we are delivering safe care. NDHT has continued to focus on 'growing our own' workforce and being creative in finding solutions to workforce challenges. Our recent partnership with Petroc College in Barnstaple and a flying faculty from Bolton University will allow us to offer nurse degree training locally, creating career opportunities and a future nursing workforce for northern Devon.

There is no magic solution to help the NHS meet the demand it faces. Prevention and early intervention are extremely important and help people to lead healthy lives, but they don't stop people from getting ill eventually, nor do they address the fact that with an ageing population, people need care for longer. As demand continues to increase and we continue to experience workforce challenges, things are going to get tougher for the NHS.

Finally, I'd like to take the opportunity to thank our staff, our volunteers, the community at large, and my Board colleagues, colleagues across the health and care system and our One Northern Devon partners for their efforts over the last 12 months. I'd also like to recognise the difference that the charitable giving from our local community makes to patients, so thank you to everyone who has donated and fundraised.

At the time of writing this introduction, our staff and communities are facing up to the significant challenges that come with Covid-19. The progression of this Coronavirus is unclear. What is inevitable however is that it will put significant further pressure on our staff just as we are coming out of a challenging winter, not only at NDHT, but also across our community hospitals and community nursing. While we cannot predict the outcome exactly, I have no doubt that our colleagues will do their very best to support our communities with high quality, efficient and compassionate care.

The fantastic work detailed in this annual report shows what we can do when we work together in challenging times. It has been an incredible privilege to stand as NDHT's Chairman. Thank you.

James Brent
Chairman

Performance report

Introduction by the Chief Executive

Welcome to the annual report and accounts for 2019/20

At the time of writing, the NHS is in the midst of responding to the coronavirus pandemic, and in enacting our common purpose of saving lives the NHS has transformed in a matter of weeks to embrace this challenge.

I am enormously proud of what I see our staff and communities achieve. In just a few short weeks life has changed beyond recognition for us all.

It feels important to me that we remember all that has happened in such a short space of time. So I would like to begin this annual report by saying thank you.

Thank you to everyone who observed the government guidance and stayed at home and observed social distancing. The NHS is extremely grateful that people adapted so well to this call to contain the transmission of the virus. We know it wasn't easy and in some cases caused real hardship to our community.

The streets are lined with rainbows and #ThankYouNHS banners. Every Thursday people clap in unison to say thank you to the country's key workers. This level of support has strengthened the resolve of our caring workforce and really hit home the importance of the work we are doing.

Thank you to our extraordinary NHS and social care workforce who very quickly acknowledged the challenge ahead of us and understood what they needed to do to adapt and respond to the needs of our patients suffering from this new and unknown disease. This meant that we were very quickly ready for our patients and ready to keep our staff protected and safe.

Thank you to all of the local businesses who in the midst of dealing with their own changing employment and financial circumstances, still found time to ask us what support we needed. They donated time and resources to us when we needed them, and are still asking us what else they can do.

And lastly thank you to the hundreds of volunteers who signed up to help their local community, vulnerable people and their local care services. This virus has caused significant financial and health hardship in our community and their support and efforts will undoubtedly help us all get through this difficult time.

Whilst I expect this situation to change rapidly over the next year I feel confident looking ahead knowing how well supported we were over the last few months of the 2019/20 financial year.

In reflecting on the events of the rest of the last year, I would like to highlight some areas of achievement that will continue to be strategically important to us over the next few years. They are all covered in greater detail in the following pages of this report.

Through the collaborative agreement between the Royal Devon and Exeter NHS Foundation Trust (RD&E) and Northern Devon Healthcare NHS Trust (NDHT) we started to formalise the informal relationship between the Trusts that has existed for decades.

The coronavirus response has also contributed to even greater collaboration between providers across Devon, as we innovate rapidly and see the positive ways in which we can effect real change by working more effectively together across a whole population.

The Care Quality Commission (CQC) published its report following the inspection of services at North Devon District Hospital and South Molton Community Hospital in May 2019. We were really pleased to see the report recognise the significant positive changes we have made since its last inspection.

I am particularly pleased to report the significant progress in strengthening our maternity services following the CQC inspections and Royal College of Obstetrics and Gynaecology invited reviews.

As members of One Northern Devon, we launched a three year strategy with our partners in local business, councils and the public sector to tackle the wider determinants of health. This strategy had three work streams last year: skills and employment; environment and healthy places; and health and wellbeing. Implicit in these work streams is the acknowledgement across all our partners that improving the quality of life for our community requires a joined-up approach and for us to share our knowledge and resources.

Our staff are our greatest asset and it was fantastic to see NDHT staff rating the Trust as a great place to work in the NHS Staff Survey. NDHT ranks first in the country for support from immediate managers compared to other similar trusts and it ranks second of all trusts in the country for morale.

Great work by our staff was recognised externally with a number of award achievements over the year. Our staff were part of a multi-organisation team behind a project to reduce frequent attender visits to A&E at NDDH. This team were winners of an 'Integration Award' at the Celebrating Achievement Awards run by Devon Partnership NHS Trust (DPT). This project has achieved a significant reduction in attendances from the most frequent attenders.

NDHT won a fantastic five awards out of 11 categories at the Devon and Cornwall Paediatric Awards for Training Achievements, with staff from Caroline Thorpe Ward winning team of the year. Well done to all our award winning staff. Over the pages of this annual report, you will find many more examples of how staff at NDHT go above and beyond for patients every day.

Our response to our workforce challenges was the launch a new school of nursing for North Devon, which takes its first cohort of students in 2020. It is our aim to give local people the ability to follow a career in nursing without having to move away. This partnership with Petroc and the University of Bolton opens up the opportunity for so many more people to start a nursing career right here, and builds on our workforce strategy to 'grow our own', nurturing our existing workforce to develop their skills and helping more local people start their career in healthcare.

Maintaining and improving performance in the context of sustained demand increases has also been a challenging key area of focus. We have seen real improvements in our diagnostic performance, emergency department waiting times, a reduction to our list of longest waiting patients and we have strong performance against the cancer targets. However, we do recognise that performance in other areas is not where we want it to be and there is more we must do.

These improvements and achievements were delivered within a demanding budget for the year which required us to achieve a deficit of £14.1m after delivering a savings target of £10m. We are delighted that we were able to meet this challenge allowing the Trust to earn additional income under the Provider Sustainability Fund (PSF) and the Financial Recovery Fund (FRF) to bring the Trust back to breakeven. We recognise the potential significant risk for the Trust due to the continued improvement required to reduce the underlying deficit position in 2020/21.

As part of the work on the options appraisal we carried out a targeted and inclusive engagement exercise, speaking to more than 2000 staff, patients and members of the public about what was important to them about hospital services. Thank you to everyone who shared their views with us. It is really clear how important our services are to people and how much people value their local NHS staff.

Following this review the Boards of NDHT and RD&E agreed in December that the two organisations will explore joining together on a more formal basis. As we move into 2020/21 the Boards will be working together to determine the next steps. We have agreed that the collaborative agreement should extend beyond June 2020 to allow the appropriate processes, including conversations with NHS regulators, to be completed.

The starting point for both organisations is the clear view that wherever you live – whether that is in rural northern Devon, in the centre of Exeter, or on the borders of Somerset and Cornwall – we have a shared duty, as part of the National Health Service, to ensure that people have good access to high quality care and, in particular, A&E and supporting services when they need them.

We are committed to ensuring staff and the community are informed and engaged as this process develops. The support of the community has always been important to staff at NDHT and we hope you'll continue to support us as we head into this important year.

Suzanne Tracey
Chief Executive

About Northern Devon Healthcare NHS Trust

Northern Devon Healthcare NHS Trust (NDHT) provides integrated acute and community health and care services across northern Devon together with a range of specialist community services across Devon and Cornwall. With 3392 staff, our care services are provided in a wide geographical and physical location, including people's homes, clinics, our five community hospitals and our acute district general hospital – North Devon District Hospital (NDDH).

Across Devon, our teams of care professionals work with patients and their families to support peoples' independence, health and wellbeing. We provide support to avoid hospital admissions, and if an admission is necessary, we try to make each patient's stay in hospital as short and effective as possible having worked with them on a safe discharge home.

NDDH is the most remote acute hospital in mainland England, at over 1.5 hour's drive away from its nearest neighbouring acute hospital. Our 300-bed district general hospital in Barnstaple provides 24/7 emergency and urgent acute hospital services to the population, with an emergency department, intensive care unit, women's and children's services, full diagnostics and outpatient services.

In any 24 hours our health and social care community teams visit around 500 patients in their own homes to help them rehabilitate after illness or injury. At any one time, they are overseeing around 6,000 people's care.

Our domiciliary care service, Devon Cares, is a partnership of high quality local care agencies who provide social care to people in their own homes.

Our specialist community services include adult and paediatric sexual assault referral centres in Devon and Cornwall, as well as sexual health services, dental and bladder and bowel services across Devon.

It is our vision to integrate our health and social care services, improving the way people get home from hospital or receive support to remain independent in their own homes.

North Devon District Hospital (NDDH), Barnstaple

In 2019/20 staff at North Devon District Hospital treated 30,251 inpatients, 21,978 day cases, 312,679 outpatients and delivered 1,344 babies. They also saw 47,408 people in our emergency department and 12,155 in our minor injuries units.

The populations of Torridge and North Devon (175,000) account for 72.3% of patients to NDDH, with the remaining 27.7% coming from residents from the Cornish and Somerset borders or tourists to the area.

The activity that we have undertaken in 2019/20 is above our plan set for the year and is a reflection of the increasing demand for our services.

NDDH provides a 24/7 emergency service and is a designated trauma unit operating within a trauma network serving the whole of Devon and Cornwall. This network ensures residents of northern Devon have access to essential and immediate care.

To ensure the Trust can offer patients local, specialist services, it hosts consultants from other neighbouring NHS trusts to hold clinics in the area. Through this arrangement Somerset NHS Foundation Trust provides a vascular network and University Hospitals Plymouth a neonatal network, however by far the largest number of services hosted at NDDH is provided by the Royal Devon and Exeter NHS Foundation Trust.

We have worked closely with RD&E for many years to enable the local delivery of many important services to our patients including oncology (cancer), haematology and more recently obstetrics. This partnership was formalised in 2018 with the formation of the collaborative agreement between NDHT and RD&E and we announced in December 2019 our intention to extend this collaborative agreement beyond June 2020 while we explore joining together on a more formal basis.

Integrated health and social care community services

Our teams of integrated health and social care community professionals across northern Devon work to rehabilitate patients, avoid admissions, and promote health, wellbeing and independence. These multidisciplinary teams include community nurses, social workers, physiotherapists, occupational therapists, community matrons and the voluntary sector.

The teams deliver care to over 6,000 people at any one time, often with very complex needs, providing support and treatment to enable them to live independently in their own homes.

The teams provide a rapid response service. If a GP is worried about a patient whose health is deteriorating, they refer to the community rapid response team who visit the patient at their home within two hours. We assess the health and social care needs with the patient, and they are provided with immediate support in their own home. Quite often this avoids an admission to hospital.

Our Pathfinder team at NDDH liaises with the wards to organise timely and safe discharges for patients who require ongoing care or support after leaving hospital. As members of the local health and social care teams, the Pathfinder and onward care teams develop and arrange any care packages that are required to ensure the patient can leave hospital, with the right support to live independently at home.

Since 2016 we have co-ordinated the delivery of domiciliary care services across northern and mid Devon. By providing the vital communication link and support between our valued domiciliary care partners and our hospital wards we are improving the experience of people receiving social care at home.

The Trust has five community hospitals and two resource centres, which provide local hubs of healthcare for their communities and a range of services that are easily accessible to the local population. These include minor injuries units, local outpatient and self-referral services, such as sexual health clinics.

Specialist community services

The Trust is the main provider of specialist community healthcare services across North, East, Mid and South Devon, including bladder and bowel, dentistry and sexual health services. We also run sexual assault referral centres (SARC) across Devon, Cornwall and the Isles of Scilly.

NHS

Devon Salaried Dental Service

www.healthyteethdevon.nhs.uk

Devon & Cornwall SARC
Sexual Assault Referral Centres

www.sarchelp.co.uk

Devon Sexual Health
Contraception, Sexual Health & HIV service

www.devonsexualhealth.nhs.uk

More information on the Trust's services is available online at www.northdevonhealth.nhs.uk

Our year

Highlights of 2019/20:

There is no doubt that towards the end of 2019/20 and continuing well into the next financial year the NHS was being significantly affected by the Coronovirus pandemic. For Northern Devon Healthcare NHS Trust this had an adverse impact on our performance in the last few weeks of the year as we followed national guidance and made preparations to manage the impact of the disease on our population. However, it is important that we do not lose sight of the significant achievements we made during the 2019/20 financial year to improve our services for our patients.

- Against rising demand for our services, we achieved a reduction in the number of people waiting a long time for treatment. The number of patients waiting more than 40 weeks at the end of February 2020 had reduced from over 500 at any one time in 2018/19 to fewer than 200.

  Although this trajectory slipped in the latter part of March due to Covid-19 the overall improvement across the year was a great accomplishment. We also achieved significant improvements on diagnostic waiting times, reducing the percentage of those waiting more than six weeks for treatment from 25.40% in 2018/19 to 6.43% by the end of March 2020.

- The CQC published its inspection report in September 2019. The report recognised the significant positive changes made since the CQC's last inspection in 2017.

- In our most recent staff survey, NDHT was the second highest scoring acute and community trust in the UK for morale and for team working and scored above average in all of the themes of the survey.

- A new group of volunteers started at NDDH to support dying patients and their loved ones. The new volunteer end of life companions are specially trained by Trust staff to offer emotional support and comfort for patients who are dying, and for their families and carers.

- Debbie White, a community rehabilitation nurse in Barnstaple, was awarded the title of Queen's Nurse. The title is awarded to community nurses who have demonstrated a high level of commitment to patient care and nursing practice.

- Our 2018/19 cohort of Project SEARCH students graduated and 100% of these students have since progressed on to employment.

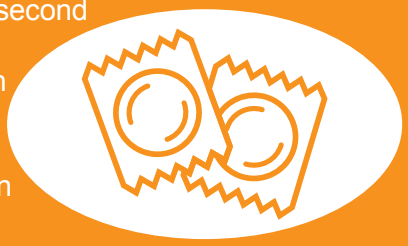
- Our patients (through the Friends and Family Test) regularly report an average of over 97.41% satisfaction with our services.

Research and development at NDHT

We are an active research trust and encourage our doctors, nurses and therapists to take part in clinical trials and research to improve patient care and our understanding of patients' experience. Here is an overview of research and development in 2019/20:

We achieved our target of **560** patients, staff or volunteers participating in research this year ahead of time. We participated in several active studies that impacted on patients' treatment including two new studies this year; SUNFLOWER (checking if a scan is needed before gallbladder surgery) and HEMISPAIRE (improving surgical techniques for hip fractures).

The sexual health team strengthened their research ethos: Dr Jack Shaw, consultant physician in genitourinary & HIV medicine, was nominated as the **sexual health research champion** for the South West region. For the second year the team has been able to offer those at high risk of contracting HIV a preventative therapy thanks to our participation in the PREP HIV study.



Our **allied health professional** (AHP) research fellow post was also very **successful**, contributing to an increased understanding and enthusiasm for research across the Trust. Our work was presented at the "National Institute for Health Research AHPs in Research: Amplifying Impact" event in London reflecting our progress building a research culture in a small isolated rural trust.

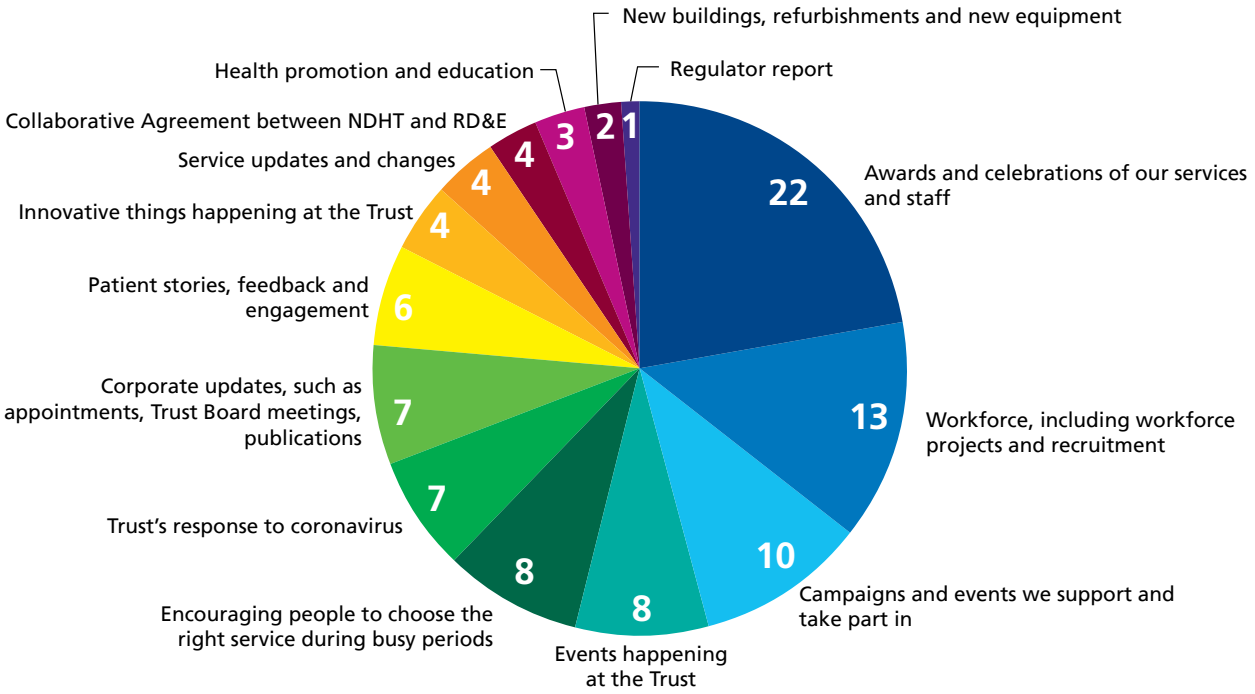
The **clinical nurse specialists** became more research active and increasingly took on the principal investigator role which means taking overall responsibility for their studies.

We were delighted to have been part of many individuals' learning and development – including those from **Project SEARCH**, schools' **work experience** week and **Petroc**, to those undertaking masters programmes.

We held our **5th annual research symposium** at which a patient told her story about both the positive and negative aspects of being in a research trial. This was incredibly powerful and was one of the best evaluated sessions of the day.

News review

Throughout the year we published a wide range of news items on our website, through our social media channels and in the external press to highlight the hard work of our staff in delivering improved care for patients. See below for the breakdown of news by topic.

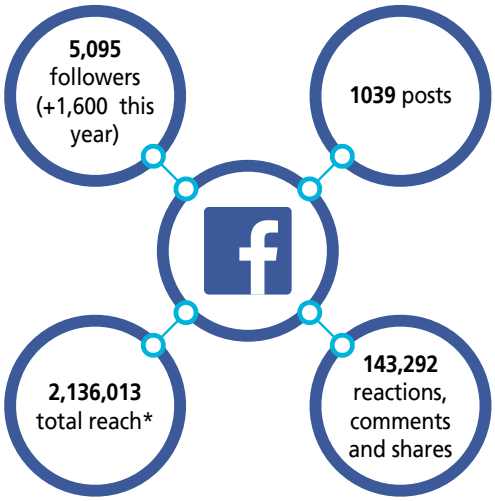


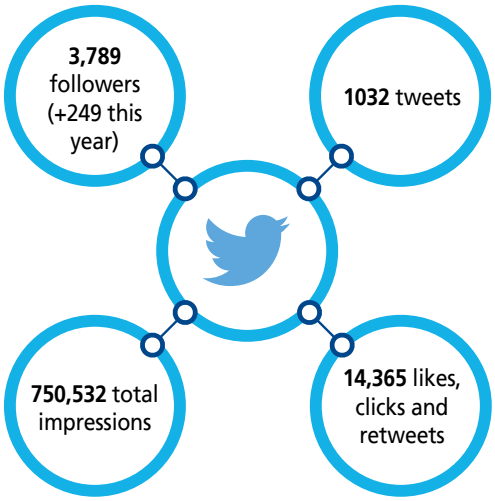
The most frequent news topic was awards and celebrations of our services and staff. Last year our staff won regional, national and international awards, including for improving care for frequent attenders to A&E, and for helping young people with learning disabilities gain paid employment.

The high number of news articles and social media posts that related to our workforce reflected the implementation of our workforce strategy and finding innovative ways of addressing our workforce shortages. Over the past year we focused on promoting and marketing the creation of joint consultant posts across NDHT and the RD&E and the launch of a new end of life companion service provided by volunteers. We promoted the work to support the clinicians of the future, who are currently still at school, and our staff were recognised by our university partners for the amazing support they provided to students.

We also ran a public awareness campaign across our website, social media, local press and direct mail to help people understand what they could do to support their local NHS services during busy periods, and we shared important updates about the collaborative working between NDHT and the RD&E.

We increased our Facebook followers by 1,600 this year to a total of 5,095, which meant we could promote our workforce vacancies to a much wider audience and we saw an increase in the onward sharing of recruitment posts. Our Twitter presence allows us to engage with national campaigns and share news and views with our 3,789 followers. We used it to share our staff achievements and tweets from our staff attending conferences, awards, innovations and training.





(* Total reach = the number of times our posts appeared in other users' news feeds)

The year in pictures

2019

April

Our pathology service maintained its ISO accredited status following a series of visits to assess our medical laboratories against international standards for quality.

The report highlighted that the service has a robust management and staffing structure, with a culture of continual quality improvement embedded across all staffing groups in the department.

Our third group of trainee nursing associates (TNAs) started their training programme at NDHT, in collaboration with the University of Bolton and Petroc College. The nursing associate role bridges the gap between healthcare assistants and registered nurses, offering a new and local entry point into a fully registered nursing career.

Our first group of trainees became qualified nursing associates in January 2019 and have been doing fantastic work since.

We teamed up with the North Devon RNLI to launch our new skin cancer awareness campaign. Skin cancer nurse specialists Laura Beer and Avril Bell attended the North Devon RNLI lifeguards' induction to talk to them about staying safe in the sun and looking out for any changes in their skin.

May

It was International Day of the Midwife on 5 May. To celebrate, we invited mums, partners and babies to come and join us for tea and cake in the maternity unit.

Families came along to celebrate with us and say thank you to the midwives who supported them through their journey. Staff reflected on what it means to them to be a midwife, with many describing it as a 'privilege' to be part of this special moment in people's lives.

We welcomed three new consultants in maternity and announced the appointment of Joanne Hayward as head of midwifery.

Dr Louisa Manning, Dr Simon Tarsha and Dr Lisa Knight were appointed in joint consultant obstetrician roles across Northern Devon and Exeter. As well as growing the team of consultants at NDDH, this brought additional expertise in outpatient hysteroscopy, fertility services, governance and teaching/simulation to North Devon.

Joanne was appointed interim head of midwifery at NDHT in September 2018 before being appointed substantively. The maternity service has taken positive steps forward over the past few years, and Joanne has led the efforts to continue enhancing the service and ensuring we are delivering excellent care to women and their families.

A new group of volunteers started at North Devon District Hospital to support dying patients and their loved ones. The new volunteer end of life companions are specially trained by Trust staff to offer emotional support and comfort for patients who are dying, and for their families and carers.

After a request by the Holsworthy Community Involvement Group (HCIG), we partnered with Holsworthy Health Care to launch a trial to provide beds at Deer Park Care Home for people at the end of life and those with intensive rehabilitation needs in the Holsworthy area. This new model is being reviewed by the HCIG.

June

We officially opened our new quiet room for mess members at North Devon District Hospital, following a refurbishment project.

The quiet room is a welcoming, relaxing space where mess members, who are mostly doctors, can unwind and de-stress.

We held a Patient Experience Framework Workshop, which was the first in the South West region and was facilitated by NHS England and NHS Improvement – South West. It was attended by a patient representative, staff and stakeholders. The workshop has supported us to conduct a diagnostic of our patient experience activities and develop a plan for our future vision and improvement.

Debbie White, a community rehabilitation nurse in Barnstaple, was awarded the title of Queen's Nurse. The title is awarded to community nurses who have demonstrated a high level of commitment to patient care and nursing practice.

Debbie was presented with her Queen's Nurse badge and certificate by Dr Ruth May, chief nursing officer for England, at an awards ceremony at the Royal Garden Hotel in London.

We have been looking at how we can use technology across our departments to improve the care and experience of our patients. We started a pilot of a self-check-in kiosk in the therapy outpatients department at North Devon District Hospital, which has been a success and is now in place permanently.

July

Our 2018/19 cohort of Project SEARCH students graduated and 100% of these students have since progressed on to employment. The students, their mentors and representatives from the Trust, Petroc College and Pluss all came together to celebrate the significant achievements of all the students at a graduation ceremony.

Director of facilities Iain Roy and medical staffing officer Sue Roy retired together after a joint 60 years of service with the NHS, including 35 years at NDHT.

August

In recognition of her achievements in supporting Project SEARCH, Gail Richards, training manager and apprentice lead, gained a bursary from Project SEARCH to attend their annual conference in the USA and collect an award for achieving an employment rate of 100%.

Thanks to a charitable donation from Marshalls pub in Barnstaple, we started using virtual reality headsets in our day surgery unit. Before a child comes in for surgery, the virtual reality headset kits are posted to their home. The child then takes a virtual tour of the hospital, including the clinical environment in the day surgery unit, such as the bay area and anaesthetic room. This helps to build familiarity, which can help make the experience less scary for children.

September

A team of staff from across NDHT represented the Trust at the annual South West NHS Military Challenge. Well done to team 9!

Allied Health Professionals (AHPs) at NDHT were recognised by the University of Plymouth for the support they were giving to AHP students. Students who undertook a placement with us as part of their studies passed on fantastic feedback to the University. In particular, Megan Braide, occupational therapist in the Independent Living Centre team, was selected from all the nominations for the University of Plymouth's MSc Occupational Therapy to be the overall programme winner.

October

As part of the Review of Hospital Services in Northern Devon, we carried out a wide-ranging engagement exercise. We held a public meeting to provide feedback on this engagement, what people had told us and the themes emerging.

Over 60 attendees came from county, local and parish councils, members of the public and community groups including Save Our Hospital Services.

November

For the third year running, NDHT was recognised as a quality data provider by the National Joint Registry. The Department of Health set up the National Joint Registry (NJR) in 2002 to collect information on all hip, knee, ankle, elbow and shoulder replacement operations. The registry supports patient safety and monitors the effectiveness of treatments. This helps improve clinical standards and benefits patients, clinicians and the orthopaedic sector as a whole.

We delivered a joint initiative with West Buckland School to host an afternoon of mock medical interviews for students across Devon looking to pursue a medical career. Students from schools across northern Devon took part in a series of interviews, carried out by medical staff from North Devon District Hospital.

Charlotte Rushton, discharge coordinator, won the regional stage of the Operational Services Support Worker of the Year category in the Our Health Heroes Awards. Charlotte attended the ceremony in November to pick up her award.

The team behind a project to reduce frequent attender visits to A&E at NDDH won an award for excellence in integrated working. A multi-disciplinary team involving staff from various organisations in Devon won the Integration Award at Devon Partnership NHS Trust's Celebrating Achievement Awards. The project resulted in a significant reduction in A&E attendance for the frequent attenders, and improved outcomes for these individuals.

December

The annual Paul Lock Memorial Lecture was held at NDDH. This was a fantastic celebration of the care our staff give to young patients in North Devon. Paediatric nurse Jane Dickinson was awarded the Paul Lock Memorial Prize in recognition for her work in the day surgery team. The children and young people's diabetes service talked about a quality improvement project they worked on to improve the care of children newly diagnosed with type 1 diabetes.

We continued work to get the Cancer and Wellbeing Centre up and running. In December we appointed Tasmin Andrew to the new role of centre manager. She is responsible for the day-to-day running of the centre and supervising our new group of volunteers, who we are recruiting.

2020

January

We launched a new drop-in cervical screening service at North Devon District Hospital, giving women more options for getting this quick and important test done.

When getting their invitation, women can now choose to book an appointment with their GP or attend the Tuesday evening drop-in clinic at NDDH.

The Right Reverend Jackie Searle, the Bishop of Crediton, praised the work of hospital staff and volunteers during a visit to North Devon District Hospital. She met with staff, patients and volunteers, as well as non-executive directors Robert Down and Tony Neal. She was shown around the maternity unit, the dementia ward, the special care baby unit and the Hospital's chapel and faith centre. Bishop Jackie said she came away from her visit feeling "really inspired and cheered".

February

We launched a new home-based service for people with heart failure. Our new 12-week cardiac rehabilitation programme is delivered in patient's homes, and the programme is designed by both the patient and our cardiac rehabilitation team.

NDHT's paediatric team were big winners at the Devon and Cornwall Paediatric awards for Training Achievements. Our staff were nominated in 11 categories and came away with five awards, including team of the year and nursing lifetime achievement award.

March

In March, the coronavirus pandemic spread to the UK. Our response was immediate. Staff right across the Trust changed the way they worked to prepare the organisation to care for patients with Covid-19, and continue business as usual as much as possible. Our staff worked around the clock, and our community were there to support them with gifts, donations, and messages of thanks.

In partnership with Petroc College, we launched a new Business Academy. Business students undertake a 10-week work experience programme with NDHT through the Business Academy, working and learning alongside our staff. This builds on our successful Health & Care Academy with Petroc College, which provides health and social care students with 10 weeks of work experience.

Key developments

Collaborative agreement: NDHT and the RD&E agree to explore joining together on a more formal basis

NDHT entered into the first Collaborative Agreement with RD&E and NHS England in June 2018 to provide leadership and management support to NDHT over a two-year period.

This agreement built on the long-standing clinical networking arrangements already in place between the two trusts and contained three commitments, the first two of which were completed in the previous financial year and were to complete a diagnostic and medium term action plan to stabilise and support services and performance.

The third commitment was to determine the best organisational form for the delivery of healthcare services in northern Devon over the longer-term, and was a significant focus for the Board in 2019/20. To achieve this commitment, in January 2019, the Trust Board launched a Review of Hospital Services in Northern Devon.

The aim of the review was to enable the Trust Board, by the end of 2019, to make a decision on the recommended organisational form required for sustainable local healthcare delivery and to ensure that this decision was based on knowledge of the clinical arrangements that would best meet the needs of the population of northern Devon.

To ensure the Board decision on organisational form was informed by the sustainability needs of both the current acute services and the local population health needs, the review encompassed an examination of 11 key acute services, half of which are critical to the delivery of 24/7 emergency department (A&E) services and half which were known to be experiencing clinical or financial challenges which impact the longer-term sustainability.

The Review was supported by an inclusive and targeted engagement exercise, during which the Trust heard from around 2000 patients and members of the public and more than 200 members of staff. There was a particular focus on ensuring the voices of the hard to reach groups were heard during this engagement exercise.

In November and December 2019, the Trust Board received the conclusions of the Review. Namely, that maintaining financially and clinically sustainable services in northern Devon required support from another, larger NHS Trust. Specifically, of the seven services required to be co-located with an emergency department (A&E) in northern Devon, three needed external support: acute medicine, stroke and obstetrics and gynaecology. Of those services required to support the majority health needs of the local population, the Review also identified that NDHT's oncology and care of the elderly needed external, onsite clinical support.

Both the NDHT and RD&E Boards discussed the outputs from the Review in separate, private meetings between October and December 2019 and the Boards agreed to explore working together more formally over the next financial year.

In reaching this agreement the Boards recognise that even with the support of another organisation, NDHT will require ongoing system support to overcome the diseconomies of clinical scale, the structural deficit of delivering care to a remote population and the prioritising of capital investment (technology, infrastructure) to support sustainability. This will be important when considering the precise nature of the organisational structure underpinning the future delivery of care across northern and eastern Devon.

To enable and support the further work required a new collaborative agreement is expected to replace the 2018 agreement when it expires in June 2020. We are committed to keeping staff and the community informed and engaged as this process develops.

Engagement in the Review of Hospital Services in Northern Devon

A comprehensive communications and engagement plan was implemented to ensure staff, patients and stakeholders felt informed about the Review and to ensure that the findings of the Review were influenced by the feedback we received.

We asked several key local stakeholders for their advice on how to communicate the work, to make clear that this was not a review of service reconfiguration. With their support, we focussed on describing the Review as one which had a starting point of maintaining a 24/7 A&E service in northern Devon and was realistic about what could be achieved with the current workforce challenges currently facing the NHS.

Our engagement focussed on four themes

- Understanding attitudes towards and expectations of hospital services, including what is important to people about hospital services
- Understanding attitudes towards increasing the use of digital technologies in the delivery of healthcare
- Understanding attitudes towards travel vs. outcomes, and particularly why people choose/choose not to travel to receive care
- Understanding attitudes towards what makes a community a healthy place to live

Our communications and engagement activities in support of the Review focussed on the following:

Our staff: We ensured that there was wide staff engagement and input in the Review, with regular opportunities to update staff on the progress. We surveyed staff on their views on the themes above and were particularly interested in hearing from clinicians (usually RD&E) who travel up to NDDH to deliver care.

Patients with lived experience of care and hard to reach groups: We commissioned a specialist agency to conduct independent research with prioritised segments of the local population and patients with lived experience of the in-scope services. This meant we specifically approached the following segments: unemployed, young families, older families, over 65s, those with long-term conditions.

We conducted a general telephone survey with approximately 400 (representative) residents; held public focus groups across a range of locations and demographics in northern Devon;

General public: In response to feedback that only targeting those patients with lived experience of care, hard to reach groups and a representative sample of the population was inaccessible to members of the public who wanted to be involved in this engagement, we expanded the engagement and created a publically-accessible survey to capture responses from all members of the public wishing to share their views.

This further helped increase our transparency to the stakeholders and service users which helped to dissolve feelings of anxiety in the community.

CQC report recognises improvement at NDHT

In September 2019 the Care Quality Commission (CQC) published its report following the inspection of services at NDDH and South Molton Community Hospital in May 2019.

The report recognised the significant positive changes made since the CQC's last inspection in 2017. Inspectors commented that they found "an exceptionally strong patient-centred culture with staff putting patients first to keep them safe and involving them in decisions which affected their treatment and care."

The CQC retained the Trust's position as 'requires improvement' overall, however the report clearly stated that the Trust was in a very different position compared to the previous full inspection in October 2017.

We made significant improvements to our end of life care services and outpatient services, and both of these are now rated 'good'. We also achieved an overall rating of 'good' for how caring our services are.

The hard work in maternity since the last inspection was reflected in an improvement in the scoring for well-led, going from 'requires improvement' to 'good'.

Our community teams maintained their 'good' overall rating and we were pleased that inspectors recognised the improvements that were made in the emergency department environment.

The report also identified a number of areas for continued improvement including reducing our use of agency staff, completion of medical records and documentation, embedding arrangements for managing risks and performance. We are working to address these areas and look forward to welcoming the CQC back to see our progress in the future.

Working with partners and providers

Sustainability and Transformation Partnership Update

Devon NHS Clinical Commissioning Group is an integral body within the Devon Sustainability and Transformation Partnership (STP), and from 1 April 2020 established with its partners an Integrated Care System for Devon, known as Together for Devon.

Through this system, the CCG will work closely with local organisations to offer more integrated care, closer to home. Our tertiary, acute, community, primary care (GPs), mental health, social care and voluntary providers in Devon will work together on delivering the common strategic aims of developing innovative ways of improving patient care and treatment. The CCG also works closely with local councils and public health teams to establish a clear understanding of local demography and emerging health trends to ensure the system understands the impact on demand for our services and can plan accordingly.

Three local authorities, seven NHS organisations and one Community Interest Company joined forces in October 2016 to create the single Devon STP. Since the summer of 2018, Dame Suzi Leather has been the Devon STP independent chair and Phillippa Slinger the Accountable Officer.

The STP mission was to achieve the triple aim of improving:

1. Our population's health and wellbeing
2. The experience of care
3. The cost effectiveness of spending per head of population

In 2019/20 the STP took a more focused approach on fewer priorities to deliver high impact transformational changes and make best use of system resources. It started making the detailed preparations for the Integrated Care System: Together for Devon.

Long Term Plan – Together for Devon

In January 2019, NHS England published the national long-term plan for the NHS in England. Each region developed its response to this plan, setting out how systems would work together to address their local challenges. Devon STP has developed a corresponding draft Long Term Plan which aligns to the objective of the NHS England LTP.

As the system moves into an Integrated Care System (ICS) from 1 April 2020, this plan will be the blueprint for the priorities and main focus over the next few years. The ICS programme, known as Together for Devon, has Philippa Slinger as its lead chief executive.

Devon's Long Term Plan is intended to meet the growing challenges of providing healthcare and social care when demand is dramatically increasing.

By 2030 there will be 37% more people aged over 75. This is good news, but we need to act now to ensure we can meet their needs within the funding we have available.

Eight out of ten of our hospital beds are used for emergencies. With the ageing population, the number of beds available for routine, planned treatment and surgery would reduce to zero. We already know too many planned operations are being postponed at times when all the hospital beds are needed for urgent care, that people are waiting too long for diagnostic tests and that there are too many having to go outside Devon for the services they need.

After extensive engagement with the population, we worked with our partners to draw up the Devon Long Term Plan to tackle these issues. Publication of these plans nationally has been inevitably delayed by the coronavirus pandemic. However, the following themes, while still in draft form, have been agreed in principle but may be subject to further change following the response to the coronavirus pandemic.

Our vision is: "Equal chances for everyone in Devon to lead long, happy and healthy lives".

Together we will:

- Work with communities to identify priorities and tackle the root causes of problems such as domestic abuse, homelessness and mental ill health
- Provide a dedicated centre for planned operations and treatments in Devon, to reduce the number of cancellations
- Coordinate care among GPs, community teams, hospitals and mental health services so that people get properly joined-up care
- Create a dedicated, major diagnostic centre in Devon to reduce waits
- Invest in computer systems and technology that can be used by all doctors and nurses, regardless of location or which organisation they work for
- Reorganise our care so that fewer people need to travel outside Devon

- Work to tackle the physical health inequalities experienced by people with mental illness, learning disabilities and/or autism
- Enhance our prevention programmes to support people to stay well, with an early focus on diabetes and hypertension
- Establish clinical networks across the peninsula so that, together, hospitals can provide the services needed – starting with cardiac services, pathology, stroke and neurology
- Improve access to psychological therapies, and put comprehensive support in place for young people up to the age of 25
- Actively promote careers in health and social care, to attract the workforce we need and to reduce our reliance on expensive agency staff
- Transform our maternity and perinatal care to give women more choices and more joined-up care
- Reduce the length of time people stay in hospital, particularly stays of over 14 days and those where there is no clinical need for people to be in hospital

Together for Devon sets out a New Deal for Devon, where services are built around the individual, who, with support, also takes responsibility for improving their own health and wellbeing.

Our charity supporters go Over and Above

Over and above
Your Local Hospital Charity
supporting the Northern Devon Healthcare NHS Trust
Registered Charity No. 1051463

Over and Above is the official NHS charity serving patients and staff who use the services of NDHT. Each year the charity invests in key areas such as equipment, patient and family support, capital projects, staff training and transforming our hospitals into more welcoming and comfortable environments.

The core mission of the charity is to enhance the care and treatment for patients within northern Devon, by supporting projects and services which are beyond the scope of government funding.

Over and Above achieve this by working with clinicians, staff and volunteers to deliver services and projects that will make a positive difference to our patients by:

- enhancing the quality of patient care
- improving the environment for patients and staff
- raising funds for equipment that will improve outcomes for the patient
- supporting staff development that will enable them to provide excellent clinical care
- supporting research projects that can improve patient outcomes

NDHT is the corporate trustee of Over and Above and the Trust Board are responsible for controlling and operating the charity. As the charity income is less than 0.25% of the Trust's income, a separate annual report and accounts is prepared for the charity, and the charity is recorded as a related party of the Trust in its accounts at https://bit.ly/charityreport-2019.

Cancer and Wellbeing Centre Appeal

In 2017 the Over and Above charity launched a £1.5 million fundraising appeal to build a new centre to support people with cancer and other illnesses. This is a dedicated space offering a wide range of information and support services to anyone affected by cancer and other illnesses, all within a comfortable and welcoming environment. The charity team's main focus has been to raise funds to build the Cancer and Wellbeing Centre.

The communities across northern Devon have been absolutely fantastic in response to helping the charity fundraise to make the centre become a reality. We are so pleased that the building of the centre was completed in February 2020 and we will be starting to use this facility for delivering services to patients who are living with and beyond cancer.

The building has an open-plan lounge diner, a clinic and complementary therapy room, private counselling rooms and a meeting/activity room, which will be suitable for activities such as exercise classes.

People will be able to access services that can help following a diagnosis and after receiving treatment, including counselling and psychological support, financial and benefits advice, hair loss support, and health and wellbeing events and courses, whether as a patient, carer or relative.

Within the centre there are three en-suite accommodation rooms for friends and family to use if they have a relative staying in the main acute hospital.

Future funding for the running of this centre will be provided by the charity and not the NHS, so ongoing public support will be vital. The charity will implement fundraising plans to address future income streams from a variety of sources.

Charity retail outlets

In 2020 the Over and Above charity will also be opening its first two charity shops, with our first opening in Barnstaple. It is hoped that this will bring more income to fund the charity objectives as well as providing a community benefit. In addition, the branding of the retail outlets will help us bring more awareness of the important work that our charity does for the communities we serve.

Thank you to all our supporters

The Over and Above charity would like to thank all the individuals, businesses, organisations and grant funding foundations and trusts that support all our work. You are all truly amazing and we really appreciate all your ongoing support.

An inspirational story from one of our patients and charity ambassadors……

On Sunday 10 June 2018, 48 year old Richard Barnes woke up with an aching left leg and visited NDDH. What followed is something no one would ever wish to experience. Richard was diagnosed with Necrotising Fasciitis, also known as the 'flesh eating disease'. He was also diagnosed with a rare form of Leukaemia. The staff in the emergency department quickly recognised the seriousness of the situation and fast-tracked Richard to the intensive care unit and he then had surgery to remove his leg at the hip to prevent the disease from spreading.

Following surgery Richard developed sepsis and his family were informed that his prognosis was poor. However, after two weeks Richard slowly started to improve. He regained consciousness but still had to have a ventilation tube to breath and he was fed by tube. As the week progressed he was well enough to be hoisted into a chair to see his daughter ready for her prom.

Richard then suffered a further setback in the form of a massive brain swelling and a stroke. His family were told there was no way back and spent the next day saying their goodbyes.

Against all odds, Richard survived. He was told he would have a slow road to recovery and would be lucky to leave hospital by Christmas. Richard started a course of chemotherapy and physiotherapy and astonished all of the professionals by going from strength to strength, leaving hospital on 13 August 2018, four months earlier than predicted.

Richard is now cancer free and learning to walk on his prosthetic limb without crutches. On Saturday 8 June 2019, nearly a year to the day that he was admitted to hospital, he completed an incredible 6 mile 'Ampuversary Walk' from Bideford to Torrington.

Richard credits the staff at NDDH for saving his life with their incredible treatment and care.

He said "I will always be in their debt which is why I have volunteered to be a fundraiser and in some small way give back.

My 'Ampuversary walk' started at Bideford (old railway station) and finished at the Puffing Billy Torrington along the Tarka Trail, approximately 6 miles. I was joined by over 50 people including family, friends, work colleagues and some of the incredible staff at NDDH.

I was truly humbled by everyone's support both on the day and for the generous donations so many people made to the JustGiving appeal. We started at 10am and finished about 12:45pm. Luckily the weather was dry as it was pouring down the day before. My amazing wife organised something to eat for everyone at the finish line including scones and cream and fizz."

Richard's 'Ampuversary Walk' has raised an absolutely outstanding £7,800 that has been split between the ICU department and the Cancer and Wellbeing Centre.

Ian Roome, head of fundraising and volunteering, said "Richard is an amazing inspiration to us all and I am also delighted that he has become one of our charity ambassadors. I want to thank him and his family for helping us raise vital funds and for being a true advocate of our work."

All your donations make a real difference, no matter how small. You can contact the charity team on 01271 311772 or by email at ndht.charity@nhs.net


EXERCISE
force

Using patient experience to improve our care

The Trust continues to engage with and learn from patients and carers through feedback from a number of sources: complaints, concerns, comments, national and local surveys, Care Opinion, social media and other patient experience tools. Patient Reported Outcome Measures (PROMs) and the Friends and Family Test are also used to gain feedback.

Through listening to what matters most to our patients, families and carers and providing staff with the skills and knowledge of a range of quality improvement approaches such as Always Events and Patient and Family Centred Care (PFCC) we aim to deliver our patients the best possible experience of our services.

We believe that every member of staff is responsible for ensuring that our patients, relatives and carers have an excellent experience and we aim to ensure that all our staff use feedback to identify opportunities for improving the quality of our care.

The Trust's chief nurse has responsibility at Board level for patient experience. This includes the delivery of the Trust's patient experience strategy and annual programme, compliance with the Friends and Family Test and demonstrating that the Trust has used patient experience feedback to improve the experience of care. Patient experience also features in the Trust's quality and safety strategy, placing it firmly at the heart of the Trust's continuous drive to improve the quality of services provided.

The patient experience team provides a supportive role to people who contact them with a complaint or feedback. This can include providing advice on the complaints procedure, how to provide feedback, how to obtain independent advice and support or how to obtain support from advocacy services in their communications with us. The patient experience team has a coordinating and advising role in respect of complaints management. All correspondence is held centrally in our risk management system Datix, and is therefore closely aligned with incidents, risks and compliments. The patient experience team provides a central point for the coordination of all Ombudsman correspondence received into the organisation and also acts as a single point of contact for the Ombudsman. The team also acts as a central point of contact for the Friends and Family Test, Care Opinion and involvement in 'What Matters to You' and CQC survey action plans.

Proactive patient experience programme

Throughout 2019/20, the Trust's patient experience programme covered the majority of services provided by the Trust by seeking regular feedback from patients. A patient experience matron was appointed to support the better understanding of experience data and to ensure it is used for learning and improvement.

For many years, our comprehensive patient experience survey programme has been supported by a highly-valued team of volunteer patient experience surveyors. This team routinely visits inpatient wards at NDDH and South Molton Hospital to collect patient feedback at the bedside. The volunteers visit each inpatient ward several times a month. In cases where the patient may have been too ill to communicate with the volunteer, feedback was captured from relatives/carers where possible.

The patient experience team provides a report back to the ward and senior management within two to three hours of the feedback being collected by the volunteer, allowing teams to act on the feedback received quickly. Subject to patient consent, selected patient comments are routinely used across Trust communication channels, internally and externally.

With an increasing reach, social media now forms another feedback channel, together with online feedback from Care Opinion, NHS Choices, compliment cards / letters, postal surveys, focus groups, face-to-face engagement, contacts to our Patient Advice and Liaison Service and the Friends and Family Test.

The Trust's patient experience data is shared and welcomed by clinical and operational teams in the form of regular reports. In addition, it is shared with the patient safety and improvement team in recognition of the importance of patient experience data in assessing the quality of NHS services alongside effectiveness and safety.

The services delivered by the Trust are always developing and patient experience data is used to help us understand the impact on patients of various transformation programmes.

Patient experience Committee

The Trust's patient experience committee (PEC) is a sub-committee of the governance committee and focuses on improving and sustaining patient experience, promoting co-production and co-design whenever appropriate. Through its work, the committee ensures that we are listening to what matters to our patients and acting on patient feedback to continually improve the experience of care we offer.

Patient stories

Listening to, and learning from patient stories is fundamental to improving the safety and experience of our patients and carers. Patient stories are presented at every Board meeting, with patients attending in person or providing video feedback direct to Board members. Patient stories are obtained either from compliments, complaints, service transformation projects, letters from patients who have approached the Trust, or from staff who feel that one of their patients has had an experience which we can learn from.

Care Opinion

The patient experience team also responds to patients leaving feedback on online forums such as Care Opinion. Over the course of this financial year, all 42 patients or carers who left feedback online on Care Opinion received a response from the Trust.

In order to maximise the impact of learning from our patients' experiences and to identify quality improvement opportunities from online feedback, the patient experience team at NDHT is facilitating a 12 month trial of an advanced level of subscription to Care Opinion with two clinical teams starting in April 2020.

Friends and Family Test

Patient comments received through the Friends and Family Test (FFT) Trust-wide are routinely analysed into positive and negative feedback, themed and presented regularly to the Committee. The feedback consistently reflects an overall positive patient experience.

The Trust met its target of getting FFT feedback from 20% of all inpatients (achieved 29.8%) in 2019/20, but missed this target in the emergency department (achieved 1.4%).

The Trust met its target of getting FFT feedback from 5% of people using our maternity unit, achieving 11.3%.

The Trust routinely publishes the Friends and Family Test results and detailed feedback on its website: www.northdevonhealth.nhs.uk/patient-experience

The Friends and Family Test programme gathers feedback from the following services:

North Devon District Hospital

Acute inpatient wards
Emergency department
Maternity services
Outpatients
Day cases
Acute oncology service

Community

Community therapy
Community nursing
Community hospital inpatient wards
Community hospital outpatients
Community hospital day cases
Community children's nursing
Minor injury units
Speech and language therapy
Pathfinder urgent care
Pathfinder complex discharge
Rapid response service
Heart function service
Cystic fibrosis and bronchiectasis service
CREADO respiratory outreach
Pulmonary rehabilitation

Specialist community services

Sexual health
Podiatry
Bladder and bowel
Dental

You said we did

	You said	We did
1	A patient with diabetes suggested that more information be made available about the sugar/ carbohydrate values of the food offered in the menu.	We reviewed the menu options available for patients with coeliac disease and improved the range. We created a nutrition information board highlighting where to find relevant information. This proved useful for both staff and patients.
2	Patients told us it is sometimes difficult to understand the different staff roles, and who can assist, based on their uniforms.	We designed an A3 poster for display on all our wards and public-facing areas that provides a visual guide to the most common uniforms. This provides patients and visitors with some clarity about staff roles. We reviewed the signage and removed any unnecessary signs to prevent confusion.
4	One patient said, "Sometimes I feel sad and frustrated to be in my bed area all the time, especially when I'm in hospital for a long time. I know that I need to stay within the hospital because it would put my health at risk to leave, but I feel well in myself, so I struggle with not being able to do what I would normally do." (Victoria Ward)	We turned a side room on Victoria Ward into a day room, complete with comfortable chairs, decorative artwork and entertainment from a TV, DVDs, books, magazines and games. Patients and families can use the space whenever they want to spend time away from their bed area that is still within the ward environment.
5	Our volunteers who visit wards with a trolley of books and magazines for patients to borrow during their stay in hospital fed back to us that a number of patients were asking for more paperback large print books.	We purchased a range of new titles in paperback large print which are available both on the trolley as well as in the onsite library. The League of Friends of Barnstaple Hospital kindly agreed to fund this purchase with a donation of £1000. We have already purchased 28 titles and a similar number is planned but this has had to be put on hold due to the COVID-19 pandemic.
6	A patient told us that "My family and I did not feel sufficiently informed about the process leading to surgery, what to expect and the wait involved."	We gathered a list of suggestions for information to include in a new patient information leaflet, including from this patient and her family. Our new leaflet, 'Waiting for your cardiac surgery', aims to address the issues they raised.
7	Parents said that they would like more involvement in their baby's care whilst on the Special Care Baby Unit.	We now teach parents how to undertake skills previously only carried out by nursing staff. During the year, this has been extended from feeding their baby by nasogastric tube to the administering of medicines and safely taking their own baby's temperature. We created a 'feed chart' allowing parents to document the care they have provided for their baby. We introduced 'bedside handovers' at the baby's cot side in which nurses hand over the care details in front of the parents who can also tell the next shift about their baby's progress.

Complaints and patient feedback

Northern Devon Healthcare Trust is committed to welcoming all forms of feedback, including complaints, and using them to improve services. The Trust strives to provide the best care. However when we do not get this right, complaints from our patients, carers and relatives are a vital source of feedback and we use themes to establish learning and identify quality improvement opportunities.

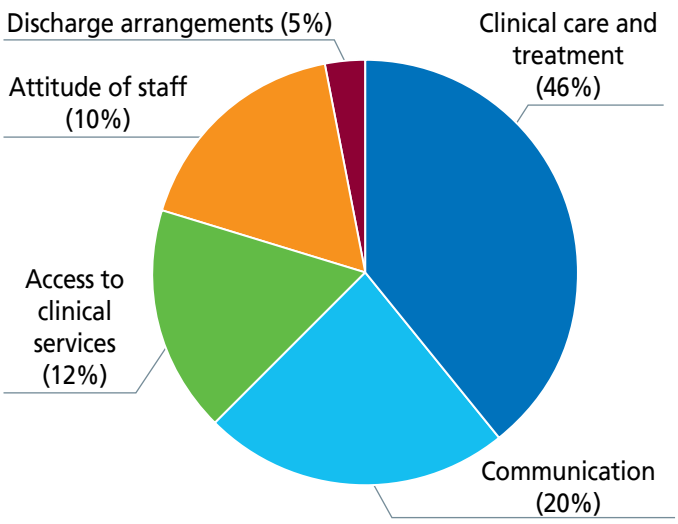
During 2019/20, we made significant changes to align the Trust's Complaints, Concerns and Compliments Policy with the Royal Devon and Exeter NHS Foundation Trust's policy as part of our governance review to improve processes and improve patient experience in the management of complaints.

Complaint numbers and themes

Complaints can originate by explicit request from a complainant or if a concern has not been resolved through the Patient Advice and Liaison Service (PALS). During 2019/20, 36 PALS contacts converted to complaints.

During this financial year (2019/20) the Trust received 287 complaints which is a 3% increase on 2018/19 (278). The top five complaint themes were clinical care and treatment (39%), communication (23%), access to clinical services (17%), attitude of staff (17%) and discharge arrangements (3%).

Top five subject themes for complaints received 1 April 2019 – 31 March 2020



In 2019/20, 2,591 PALS enquiries were received which is a decrease of 23% on 2018/2019 (3,369). Part of this decrease can be attributed to information leaflets which have been recently updated and are given to patients. This means that they have better access to information that directly relates to their treatment.

The Trust welcomes and continues to encourage the combined complaints and PALS activity as a positive reflection of how patients and service users feel able to provide feedback on their experiences.

Key performance metrics

All complaints are required to be acknowledged within three working days in line with Trust policy and statutory legislation. During the year, 99% of complaints were acknowledged within this timeframe, with only two cases being acknowledged outside the three day time period.

The patient experience team telephones complainants on receipt of their complaint (where contact details are available) to discuss and agree a way forward, and a telephone call or meeting with the relevant senior staff/ clinicians involved in the patient's/complainant's care is offered at the outset.

During this conversation, the issues for resolution, complaints process and timeframe of 45 working days are explained and agreed with the complainant.

Complaint response and investigation performance

During the year, 65% of complaints were responded to within either the agreed timeframe or within an agreed extension to the initial timeframe. This was lower than the performance for the previous financial year (2018/2019) at 96%. To address this, from 1 January 2020 we enhanced the monitoring of the complaint process, responses and timelines to improve the timeliness of complaint investigations.

The four main reasons for delayed complaint responses were divisional delay with the investigation, further details being requested following clinical review, a serious investigation (SI) being undertaken and third party involvement.

In order to monitor and prevent late responses to complainants, the timeliness of investigations is reported via the monthly divisional performance and governance review meetings and by the Trust's patient experience committee (PEC). This follows a recommendation from an internal complaints audit report.

During the year, 60% of complaint investigations were returned to the patient experience department within the assigned timeframe to meet the response time to the person raising the issue. This performance does not meet the Trust's or Clinical Commissioning Group's target of 95% and 85% respectively. The four main reasons for a late response from the division are a delay in the clinician's response, capacity of the investigation lead or divisional nurse and a concise or serious investigation (CI or SI) being undertaken.

Closed complaints

During the year, 287 complaints were closed following investigation and 89 were either upheld or partially upheld (31%). To provide evidence of learning and improvement, from 1 January 2020 we now record actions along with supporting documentation. The learning from actions is shared at divisional governance and team meetings and reported at the PEC.

The following are some examples of learning from complaints:

- clinical matron and ward manager to review agency staff induction
- review of professional standard for abdominal pain
- complaint to be shared and discussed anonymously with staff at team meeting
- training in experience of catheterisation of female patients
- review of departmental policy for checking hearing aids
- revalidation day to take place for all Seamoor Unit staff
- relay test results discretely to patients in ED

Feedback on the complaints process

A further recommendation from the internal complaints audit report was to review any improvements to the complaints process. To assist with this identified recommendation, the patient experience department launched a quality improvement (QI) project in January 2020. A feedback survey was developed and circulated to complainants following receipt of the Trust's final response to find out about their experience. This project remains in progress in the next financial year and will be monitored at the PEC once the responses have been collated for analysis.

Parliamentary and Health Service Ombudsman

Where the person raising the complaint is either unhappy with our complaint response or the way their complaint was handled by the Trust, they have the right of redress to raise their dissatisfaction with an ombudsman. The Parliamentary and Health Service Ombudsman (PHSO) will review their concerns and the Trust's management of their complaint, including the outcome of the Trust's investigation.

Where possible, and in line with the complainant's wishes, the Trust undertakes many attempts of resolution to try and resolve any outstanding areas of dissatisfaction. A complainant can approach the Ombudsman after this process or as soon as they receive their complaint response. The table below shows the number of cases the Ombudsman contacted the Trust about during this financial year (seven), alongside outcomes of their review concluded within the year (which could relate to cases from previous financial years).

Of those cases referred to the Ombudsman, only one case was formally investigated but not upheld and five cases were determined as not requiring formal investigation (see table below). The Ombudsman's formal investigation involves expert clinical advisors who review the patient's care and treatment alongside the concerns raised, and the Ombudsman's investigation outcome is final.

Complaints referred by outcome	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	**Total**
Request received from Ombudsman	1	1	1	1	0	1	2	0	0	0	0	1	**8**
Issue NOT upheld with no further action	0	0	0	0	0	1	0	0	0	0	0	0	**1**
Issue upheld and recommendations made	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Issue partially upheld	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Decision by Ombudsman NOT to investigate	1	0	0	0	0	0	2	0	0	1	0	1	**5**

Concerns raised directly to the Care Quality Commission

During the year, no concerns were raised directly to the Care Quality Commission (CQC) from a complaints perspective.

Summary of main themes of PALS issues/matters

The overall number of PALS contacts received in the year was 2,591 and the vast majority of these contacts are resolved as 'here and now' issues, with only 36 converting to a formal complaint.

The top five PALS themes were:

- access to clinical services (50%)
- communication (17%)
- information provision (14%)
- clinical care and treatment (12%)
- attitude of staff (7%)

Since February 2020, all service managers have had access to their PALS data for discussion at team governance meetings as part of learning and improvement.

Compliments

Learning from both positive and negative feedback is crucial to improving patient and staff experience, safety and quality. The patient experience coordinator has been delivering training and guidance to clinical staff to improve the reporting and raise awareness of learning and improvement from positive feedback.

The compliment reporting and recording process has been reviewed during 2019. From October 2019 staff have been able to record compliments on Datix, accounting for the increase shown below.

The number of recorded compliments has grown steadily during 2019/20. There were 23 compliments recorded in Q1 increasing to 192 in Q3. The total number of compliments received by 31 March 2020 was 334.

Compliments by first received (Financial quarter)	Total
19/20 Q1	23
19/20 Q2	27
19/20 Q3	192
19/20 Q4	92
Total	**334**

This information is used to provide positive feedback and support to staff and also to identify areas of best practice that can then be applied elsewhere across the Trust. We are currently working to develop coding for compliments to allow for reporting theming in 2020/21. 67 areas in the Trust added compliments to the system during 2019/20.

The top four areas for reporting compliments for the year were:

- A&E
- Glossop ward
- Intensive careunit
- Tarka ward trauma orthopaedics

Notifications are now being sent to the lead manager of the area to make them aware of the compliment that has been added to Datix. Dashboards will be set up in due course to allow areas to visually see all their compliments.

Improving patient, visitor and staff experience through our non-clinical support services

There are a number of functions within the Trust's workforce that whilst not involved in direct patient care are essential to support patients receiving care and ensuring the smooth running of our services.

Non-clinical and clinical support personnel serve patients on the front lines of care. Their service interactions have a powerful influence on how patients perceive their entire care experience. These services cover switchboard, estates, fire safety, energy management, sterile services, medical equipment, procurement, capital developments, catering, housekeeping and cleaning.

The majority of these services are provided by Sodexo, our non-clinical support services partner, including catering, housekeeping and cleaning, portering, courier and post room, linen, car parking, reception management, security, waste management and retail. Sodexo also supports the Trust in the management of the hotel services at other community sites across northern Devon where we have dedicated teams of hotel services staff.

We carefully analyse Trust patient experience surveys and any feedback we receive via Sodexo surveys, PALs or through the complaints department so that we can address issues and improve our service. Our aim is for a seamless service across all areas, making sure we provide an excellent environment for the delivery of our patient care.

Parking

It is free to park at a number of our sites, and there are spaces at all sites which allow free parking for blue badge holders.

We continued to monitor and invest wherever possible in our car park and transport links to the NDDH site. In the past year, a total of 111 new spaces were built for staff and the public and the public car park has been reorganised to maximise space and flow.

Concessionary tickets are available for patients who require frequent treatment or those wishing to visit friends and relatives frequently through a week.

Food

We continued to support the provision of healthy food in our hospitals and work closely with Sodexo to ensure that patients, staff and visitors have healthy food options at our sites. Food retail areas have been rearranged so that healthy snacks and drinks are more prominent and vending machines have limited confectionery and a range of healthy alternatives.

In 2019/20 we met the national targets of:

- 80% of drinks stocked must be sugar free
- 80% of confectionary and sweets do not exceed 250 calories
- 75% of sandwiches and other pre-packed meals contain 400 calories or less per serving.

In November 2019, Sodexo refurbished the hospital shop, which serves staff, visitors and patients, with an improved and expanded competitively priced product range and longer weekend opening hours.

The same principles of healthy eating apply to our patient meals and Sodexo continued to work in partnership with NHS dieticians and speech and language therapists to develop our range of special diets. We are currently working on a new low fibre menu and improvements to modified texture menus to better cater for all patients on restricted diets including those with allergens.

We proactively engaged patients through surveys to review how our services are received and to make any improvements where it is felt that we could do better. We continually improved our services either by taking account of our own monitoring or by checking the patient experience surveys.

Through feedback, we introduced a voucher system which enables families to eat with their loved one on the wards or get a quick bite together at the restaurant and café. We support 'John's Campaign' which is a national initiative for when someone with dementia is hospitalised and requires measures to make easier access for family carers to assist with the care of their loved one whilst in hospital.

Through the year Sodexo provided food safety training not only for hotel services staff but also for hospital volunteers, dementia café staff and healthcare assistants (NVQ). They have also acted in an advisory capacity to update and develop Trust food related policies and procedures.

PLACE assessments

Patient-led assessments of the care environment (PLACE) are a national requirement on an annual basis in the NHS. The assessments focus exclusively on the environment in which care is delivered and the non-clinical support services provided, all of which are known to have an impact on the patient's experience of care.

Following a national review of the PLACE assessments in 2019, the questions were significantly refined and revised. The review ensures that the collection remains relevant and delivers its aims. As the changes have been extensive it is important to note that the results for 2019 assessments will not be comparable to previous years.

The assessments in October/November 2019 were carried out at North Devon District Hospital and South Molton Community Hospital.

The assessments are completed by local volunteers who come into our hospitals as part of a team to assess how the environment supports patients' privacy and dignity, dementia and disability needs. This is in addition to inspecting the other service which includes food and hydration, cleanliness and general condition of buildings, appearance and their maintenance.

We work closely with our nursing colleagues, community hotel service teams, Sodexo and estates to review the patient feedback we receive as part of these assessments and where appropriate, to make improvements. Once the national results are released, we also review the areas where we fall below the national average to see if we can make any immediate improvements to the environment within the funding available.

The results from 2019 are summarised below. We will continue to address those areas where improvements can be made such as offering patients a quiet time (protected meal times) to get prepared for and to enjoy their meals. Whilst we are required to meet healthy and nutritious food guidelines, we acknowledge that some comments indicate our food can be bland. We will continue to work with Sodexo to improve our food offering to patients.

Improving the built environment

The Trust continually works to improve its buildings and grounds to make the patient experience as pleasant as possible.

During 2019/20, extensive decoration, flooring and signage improvements were undertaken throughout the Trust, improvements which were also identified through the PLACE assessments and internal aesthetic monitoring.

A number of areas were refurbished to provide a more up-to-date working environment for staff and better care facilities for patients including:

- Medical assessment unit,
- Maternity outpatients,
- Lundy/roborough wards,
- Bideford midwifery hub; and
- Plymouth sexual assault referral centre.

Alongside these refurbishments the estates capital team also supported the planning, design and completion of the new cancer and wellbeing centre, funded by the community of northern Devon.

	Cleanliness	Food	Organisational Food	Ward Food	Privacy, Dignity & Wellbeing	Condition, Appearance & Maintenance	Dementia	Disability
	2019	2019	2019	2019	2019	2019	2019	2019
National average	98.60	92.19	91.92	92.62	86.09	96.44	80.70	82.52
Trust score	97.94	83.44	79.26	85.85	86.44	97.57	82.02	82.96

Our strategy and corporate objectives

Vision

Delivering high-quality and sustainable services that support your health and wellbeing.

Our values

- Demonstrate compassion
- Strive for excellence
- Respect diversity
- Act with integrity
- Listen and support others

The Trust entered into a two year collaborative agreement with the RD&E in June 2018 and through this agreement the RD&E provided leadership support to NDHT to address the challenges faced in providing acute services in northern Devon.

In December 2019 both the RD&E and NDHT Boards announced their intention to extend the collaborative agreement beyond June 2020 to allow us time to explore options to work jointly with the RD&E in a more formal way.

The starting point for both organisations is the clear view that wherever you live – whether that is in rural northern Devon, the centre of Exeter, or on the borders of Somerset and Cornwall – we have a shared duty as part of the National Health Service, to ensure that people have good access to high quality care and in particular, A&E and supporting services when they need them.

In 2020/21 the Boards of both organisations will work together to determine the next steps. The collaborative agreement will be extended beyond June 2020 to allow the appropriate processes, including conversations with NHS regulators, to be completed. The development of a formal corporate strategy that determines the direction of both organisations will be part of this collaborative work going forward. As we do this important work we continue to keep our vision and values in mind, placing patients and their families firmly at the centre of everything we do.

Key risks and issues

The 2019/20 financial year continued to challenge the NHS nationally with increasing demand for services to be managed within the context of continued workforce shortages and financial constraints. There are three challenges which have affected our clinical and financial sustainability for many years.

- **Workforce:** Remote hospitals tend to experience heightened workforce challenges and being a smaller hospital means that vacancies can have a greater impact on teams.

- **Remoteness:** North Devon District Hospital (NDDH) is the most remote acute hospital in mainland England.

- **Finance:** Both remoteness and workforce pressures mean some of our services cost more to run than other NHS hospitals and this has led to increased pressure on the Trust's financial position. This is recognised in our contract with our commissioners. The Trust ended the 2018/19 financial year with a £16.6m deficit, with a plan in 2019/20 to move towards financial balance. This was achieved through delivering a deficit position of £14m which enabled the trust to earn additional national funding of the same value to return to a breakeven position. Moving forward the Trust will continue to plan to recover the deficit position and reduce reliance on additional national funding.

NDHT is an outlier in terms of demand growth for our services which further exacerbates finance and workforce constraints. Whilst the Trust continues to work on solutions to mitigate these risks and address challenges, it is clear that many will continue into the future.

The Trust manages its operational risks through the governance structure within the organisation and high scoring risks are reported through the corporate risk register. This is regularly reviewed, updated and reported to the Board via the governance committee. The strategic risks are defined as those risks that would prevent the Trust from delivering the core strategic objectives and are reported to the Board through the board assurance framework (BAF).

Operational

Covid-19

At the time of writing this annual report the NHS is dealing with the worst pandemic seen for a generation. This is having a significant impact across all areas of our business: clinical, workforce, operational and financial as we manage the impact of the transmission of this virus. As we move forward, the greatest risk will be how the NHS recovers from the longer term impact on the health of the population. As we progress into 2020/21, we have seen elective and emergency demands on our non-Covid-19 services fall and the longer term implications of this on the health of the population need to be understood. Where elective activity is cancelled over a prolonged period of time, we will see waiting lists increase significantly.

Recovery of this position will be a national focus and the Trust will need to understand the impact of this on our services as we move into the recovery phase. It is expected that this will add to the operational risks already faced by the Trust.

Workforce

Our compassionate and dedicated staff are our greatest asset but the significant shortages in workforce nationally also mean that workforce shortages in key specialties is one of our greatest risks. We compete for the same scarce workforce pool as larger teaching hospitals and research institutions.

To mitigate this risk we continue to think innovatively regarding our workforce models and consider workforce availability in all our plans. Our workforce strategy balances the short to medium term need through ethical international recruitment with the longer term 'grow your own' local workforce and training.

This year the Trust has entered into a partnership with Petroc College in Barnstaple and a 'flying faculty' from Bolton University to be able to offer nurse degree training locally, creating career opportunities and a future nursing workforce for northern Devon.

The collaboration between NDHT and the RD&E will also help to mitigate the workforce risk as we move towards a more formal close working relationship which will enable us to think more innovatively about workforce solutions supporting both locations.

Demand

Whilst we are committed to achieve all the NHS constitutional standards, i.e. waiting time and treatment targets, the level of demand in some areas is too high to enable us to achieve the level of performance recovery we need. We continued to develop our demand and capacity modelling to ensure that we fully understood our operational challenges.

We set performance trajectories for the year to enable us to move closer to national expectations, but in a safe and sustainable way. In 2019/20 we saw more referrals into our hospital services than had been predicted. This made the challenge of recovering our waiting list performance against national and regional targets more difficult to achieve. However, through the efforts of our staff we managed to largely maintain our waiting list recovery and significantly reduce the numbers of patients waiting over 40 weeks for treatment. Overall referral to treatment (RTT) performance remained challenging and we ended the year below where we planned to be in part due to the Covid-19 impact.

Demand is forecast to rise further in the future and this creates an operational risk on delivery, as it is by no means clear that the clinical workforce will be available to service this need as was the case in the past. The impact of Covid-19 on this demand will need to be understood as we move into the recovery phase of the pandemic.

To mitigate this we are developing service models which consider alternative ways of meeting people's health and care needs to the same outcome, but either using our clinical workforce differently or changing the venue and intensity of care setting. This will ensure that our scarce clinical resources are available when really needed.

This challenge is not unique to northern Devon and we are increasingly working with our partnering organisations across Devon to consider collective ways to collaborate, for example on acute care network solutions, for specialities where there is a clear capacity shortage.

As part of our approach to Covid-19, we have delivered a significant amount of service transformation in a short space of time and it is essential that we evaluate the success of these measures and build on these new ways of working to deliver a healthcare service fit for our population in the technology enabled environment we now live in.

Finance

The financial environment of the NHS continues to be extremely challenging. The Trust's 2020/21 plan has been established in the context of the wider plan established for the whole Devon population, driven by the Devon STP. The Devon Sustainability and Transformation Partnership(STP) remains in significant deficit and working collaboratively to address this position is vital to ensure we deliver achievable and joined-up future financial trajectories. The Devon STP has submitted a long term plan (LTP) which sets out the vision for health and care services in Devon and how we will be mobilising our resources to prepare for the needs of our local population and recover the financial position across the county.

The challenges facing the county are clearly articulated, primarily the transformation required to continue to deliver financially and clinically sustainable services in the face of increasing demand from a growing and ageing population. The Devon STP aims to address the financial challenge whilst improving health outcomes for people in an equitable way through shifting our model of care to provide more effective joined-up services in, or closer to, people's homes and thereby reducing reliance on bed-based care.

The Trust will contribute to Devon's LTP through aligning to key strategic programmes and focusing on our operational productivity and cost efficiency, redesigning the way we deliver care to manage activity within our finite resources. However, delivering the scale of change required to deliver an improved and sustainable financial position for the population across the whole of Devon remains challenging.

Quality of care

In August 2019 the Care Quality Commission (CQC) published its report following the inspection of services at North Devon District Hospital and South Molton Community Hospital in May 2019.

The Trust was pleased to see the report recognise the significant positive improvements made since the CQC's last inspection in 2017. Inspectors commented that they found "an exceptionally strong patient-centred culture with staff putting patients first to keep them safe and involving them in decisions which affected their treatment and care."

The CQC kept the Trust's rating as 'requires improvement' overall, however the report is clear that we are in a very different position compared to the previous full inspection in October 2017.

Of particular note were the significant improvements to our end of life care services and outpatient services, and both of these are now rated 'good'. We also achieved an overall rating of 'good' for how caring our services are.

The hard work in maternity since the last inspection has been reflected in an improvement in the scoring for well-led, going from 'requires improvement' to 'good'.

Our community teams maintained their 'good' overall rating and we are pleased that inspectors recognised the improvements that have been made in the emergency department environment.

The report also identifies a number of areas for continued improvement including reducing our use of agency staff, completion of medical records and documentation, embedding arrangements for managing risks and performance.

External factors

EU exit

Through the continued uncertainty about the exit from the European Union and the possibility of a 'no deal', Trust staff worked hard to prepare our business continuity arrangements. The UK government ratified the withdrawal agreement and the UK left the EU in January 2020.

During the subsequent transition period the Trust continues to work closely with our partners to identify any issues following the exit from the EU.

Key members of staff from across the organisation were tasked with managing any identified issues. This work is structured around nine domains identified by the Department of Health and Social Care:

1. Medicines and vaccines
2. Medical devices and clinical consumables
3. Non-clinical consumables, goods and services
4. Workforce
5. Reciprocal healthcare
6. Research and clinical trials
7. Data sharing, processing and access
8. Blood and transplant
9. Vaccines and other public health issues

The Trust completed risk assessments and reviewed our well-rehearsed incident plans, which will help us to ensure that we continue to provide safe and high-quality care to our patients and service users.

Coronovirus

As stated elsewhere in this report the coronovirus pandemic is a significant external risk factor with wide reaching implications for our workforce, operational response and finance. The Trust will be subject to national guidance on the response to recovery which we will then need to apply to our local circumstances.

Performance analysis

Our performance

It is really important that our patients have confidence in the quality of care provided, that they receive timely care and that the Trust meets the care standard and performance targets set for us.

The Trust's performance is monitored against key national standards and the Trust Board regularly reviews progress against a range of internal and external metrics. 2019/20 was a challenging year with increasing referrals, a rise in acute inpatient demand and increased attendances to our emergency department. The Trust put in place multiple improvement plans and our clinical and operational teams worked hard throughout 2019/20 to deliver against these plans.

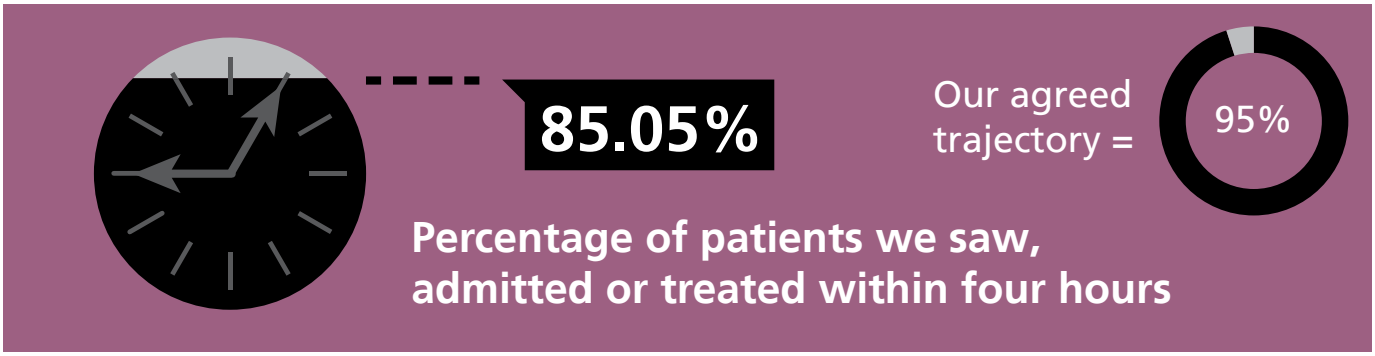
Those improvement actions have begun to deliver the desired performance improvements against standards for patient flow, elective access wait times and diagnostics.

Due to Covid-19 the performance analysis requirements have been lifted for annual reports, however the Trust has included the annual performance against some of the key targets to demonstrate the improvements that have been made over the course of the year in our long-waiting patients and diagnostic waiting lists. The last two weeks of March were impacted by the Covid-19 preparations and therefore performance dipped in the final year end position.

This, along with the increased demand throughout the year has resulted in some of our performance being below where we would have wanted it to be. We continue to work hard to focus on improvement in these areas but recognise that as we enter a recovery phase following Covid-19, returning to our previous waiting list performance and beyond will be challenging in the months ahead.

		Performance			Quarterly trend 2019-2020			
		Target	2018-19	**2019-20**	Q1	Q2	Q3	Q4
Referral to treatment times	Percentage incomplete pathways less than 18 weeks	92%	78.4%	**77.30%**	79.8%	79.5%	75.7%	74%
Waiting times	Percentage of ED, MIU and WIC attendances waiting less than 4 hours	95%	84.6%	**85.05%**	84.4%	87.60%	84.4%	84.10%
52 weeks (of required)	Patients waiting more than 52 weeks without treatment (please note figure is number of breaches not number of patients)	0	933	**106**	35	18	26	27
Diagnostics	Percentage of patients waiting more than 6 weeks for a diagnostic test	1%	25.40%	10.93%	17.2%.	10.30%	9.80%	6.43%
Cancer access initial treatments	Percentage treated within 62 days of urgent GP referral	85%	82.30%	**80.26%**	85.30%	87.50%	85.80%	81.18%

Trust's performance against the four hour target



2019/20 was an extremely busy year for our emergency department and urgent care services with more people coming through the doors than ever before. As an illustration, the Trust saw 47,351 patients in the first three quarters of the year, compared to 46,094 in the same period for 2018/19. This was an increase of 2.7%.

Despite this growth in activity, the Trust saw, admitted or treated and discharged 85.05% of patients within four hours against the national target of 95%.

The same performance is replicated across the rest of the NHS. Our staff worked incredibly hard to plan and prepare for our busiest time of year. Despite seeing more patients over the year, the team ensured performance over the year and winter months was better than previous years.

We continued the primary care streaming service, which means patients attending the emergency department more suited to seeing a GP (primary care), could access this support at peak periods of demand. We also developed an improved pathway for patients who are urgently referred to us by their GP, where they were seen, admitted or treated and discharged by the surgical and medical teams, instead of waiting to be seen in the emergency department alongside walk-in patients. We will be building on this work during 2020/21 and treating more patients in these ambulatory settings.

Meeting the four-hour target is not just the responsibility of our emergency department teams, but requires all of our teams across the Trust to ensure patient flow through the hospital is efficient and avoids delays. As part of our comprehensive winter plan, we looked back at the experiences of patients and staff and overall patient flow last winter and we agreed to implement a revised ward configuration in order to reduce inappropriate placement of our patients. These ward moves were carried out early in December 2019 and went very smoothly thanks to the hard work of all staff involved.

We delivered internal and external campaigns to encourage timely discharges, and our pharmacy and phlebotomy teams delivered enhanced services during weekends to support this. We worked with our partners to arrange support with staffing challenges, which included medical consultants from the Royal Devon and Exeter NHS Foundation Trust providing additional support at weekends.

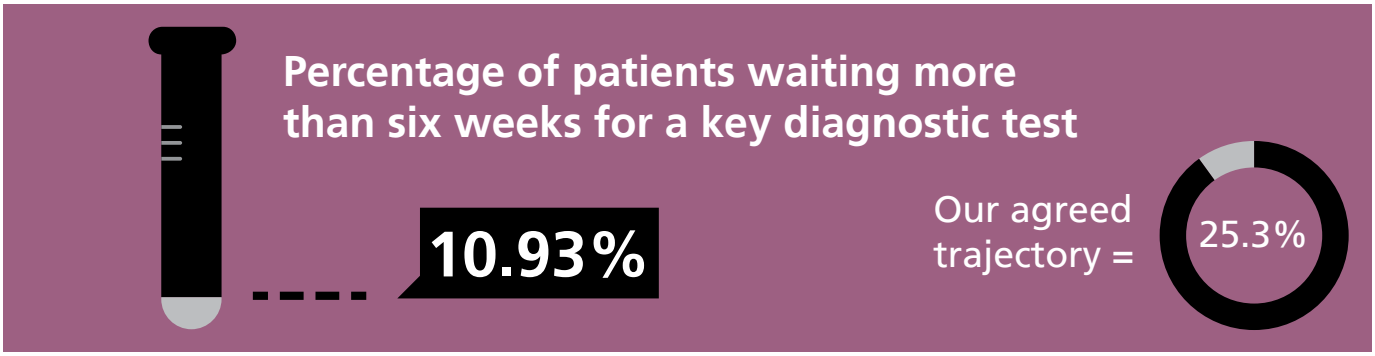
Whilst admissions to hospital have been high, increasing by 11.2% to December 2019 compared to 2018/19, our delayed transfers of care rate and average length of stay have remained low. We have also cancelled fewer operations during times of exceptionally high demand than in the last few years. The four hour target is being reviewed nationally by NHS England and we are awaiting the formal publication of the review. We will then work towards implementing any newly developed targets.

Referral to treatment targets

The percentage of patients receiving treatment within 18 weeks of referral has reduced slightly since the beginning of the financial year. During March 2020 74% of patients received treatment within this target, which is below our trajectory of 79.1% and below the national target of 92%. We ended the year with an average performance across the year of 77.3%, a reduction from 78.4% in the previous year. This performance was influenced by both a rise in referrals throughout the year, our plan to prioritise the reduction in those waiting the longest time for treatment, and a performance reduction in the last two weeks of the year as elective capacity started to be stepped down in preparation for Covid-19.

Against a context of rising demand for referrals into secondary care, the Trust managed to reduce the 52 week wait breaches from 933 individual breaches in 2018/19 to 106 in 2019/20. At the end of the year we have reduced our 52 week waiting list to 27 patients. All our staff played a part in this considerable achievement. The theatre efficiency programme enabled us to treat more patients within our existing operating capacity. The outpatient efficiency programme enabled us to see more patients in existing clinic capacity and the Trust invested in extra theatre sessions. Additional outpatient clinics and extra diagnostics lists to ensure the timely care of our patients.

Diagnostics



The Trust began 2019/20 in an improved position compared to 2018/19 with 15.9% of patients waiting more than six weeks for a key diagnostic test in April, compared to a performance of 25.4% during the previous financial year. This continued to reduce steadily throughout the year and by March 2020 had improved further to 6.43% with an average performance across the financial year of 10.93%. This means that nearly 90% of patients received a diagnostic test within six weeks of referral, up from 75% in 2018/19.

This is a significant improvement in diagnostic performance and has had a positive impact on the waiting times for planned treatment. We invested in mobile MRI and CT scanners and undertook additional endoscopy, ultrasound, DEXA, and echocardiology sessions, including at the weekend. Where additional capacity was required, this was provided by independent companies.

Demand for endoscopy, MRI and CT scans continues to increase. The Trust was successful in applying for national capital funding for additional capacity and we will continue to utilise these mobile scanners and run additional sessions until the enabling building works for the second CT scanner and refurbished MRI scanner conclude in 2020/21. The Trust also secured funding in 2019/20 which enabled us to purchase two new ultrasound machines and additional endoscopy scopes and instruments, further increasing our internal capacity.

Cancer treatment standards

The Trust received an average 6% increase in the number of patients being referred to our cancer services, with an increase in the number of people being diagnosed at an earlier stage. Whilst this has increased demands on our services, particularly in diagnostic services, colorectal, dermatology and urology specialties, it is hugely positive that our patients are being diagnosed earlier. This dramatically improves their outcomes and long-term health.

On average across 2019/20, 80% of patients started treatment within 62 days of referral (including shared pathways) against a national target of 85%. Although overall this is below the national target, the Trust is performing well across the main cancer targets including two week wait from referral to first outpatient appointment. As of February 2019 we achieved six of the seven nationally reportable targets applicable to our Trust.

There are significant delays across the wider network which continues to impact our performance, but we are pleased to have seen an improvement in our internal diagnostics performance.

Financial performance

The Trust's financial performance remains a significant corporate risk. In 2018/19, the Trust recorded a deficit of £16.6m.

Against the difficult operating context outlined above, the Trust set a demanding budget for the 2019/20 financial period which required us to achieve a deficit of £14.1m after delivering a savings target of £10m.

We are delighted that we were able to meet this challenge which met the expectations of the regulators and enabled the Trust to earn additional income under the Provider Sustainability Fund (PSF) and the Financial Recovery Fund (FRF) of £14.1m to bring the Trust back to break-even. This is a significant achievement for the Trust and is a reflection of the increased level of engagement from clinical and operational teams in the finance agenda.

Although this is a marginal improvement on the previous financial year, many of the savings made were non-recurrent benefits and therefore the continued improvement required to reduce the underlying deficit position remains a significant risk.

Moving into 2020/21, the financial plan position has been significantly impacted upon by the coronavirus pandemic. Operational planning was placed on hold in March 2020 and interim financial arrangements put in place for the first four months of the year to ensure adequate cash flows to provider organisations to breakeven in these months. This includes arrangements for recovering all reasonable Covid-19 related spend. The financial position post these interim arrangements will greatly depend on national guidance around recovery. As an interim position the Trust Board has signed off a draft budget for 2020/21 reflecting the guidance known to date and the previous work undertaken on the operational planning. This shows a potential deficit of £16.8m prior to any national financial recovery fund. It is likely that this will be revised once further national information becomes available.

Going concern

The Board is required to make an assessment of the Trust's ability to continue as a going concern. This means that there is an expectation that the Trust will continue to fulfil its 'trading' activities into the future. The Trust's financial deficit is a key consideration of the assessment of going concern and in particular the accumulating working capital loan to support the deficit position driven by NHS national policy on cash management.

However, whilst the deficit would be considered as a material uncertainty that may cast doubt about the Trust's ability to continue as a going concern, as there is no realistic alternative for an NHS trust providing essential services to the population, there is a reasonable assumption that the Trust will continue trading and therefore will be considered a going concern.

Sustainability statement

The Trust has a corporate duty to maintain safe and efficient services, but recognises that as a large user of resources it must also adopt practices that allow it to be environmentally sustainable in the services it provides.

The Trust has entered into a 15 year EPC (energy performance contract) with Veolia. This has seen the fitting of a CHP (combined heat and power unit) which allows the Trust to produce most of its electricity on site and to use the heat produced in this process to heat the hospital and provide hot water.

The Trust incorporated solar panels to the roofs of the main hospital and some of the community hospitals. We also changed many of the lights to new LED fittings.

Three of our community hospitals installed biomass boilers that use sustainably sourced wood chip. These measures will support us in reducing our carbon footprint to meet the 2020 targets set by NHS Improvement.

The 2030 target for the NHS to be carbon neutral will be a real challenge and will require significant investment and considerable change in many areas, including working practices and travel to work plans.

We are working on plans to further reduce our carbon footprint and these include looking at supplying some of the sites water from a borehole. We will also be switching to a green electricity tariff so that our electrical supply that we import from the national grid comes from sustainable sources.

Other sustainability work has included:

WARP IT

A furniture and equipment reuse programme has been successful at the Trust for a number of years. WARP IT helps recycle equipment within our own Trust, saving money, avoiding carbon emissions and landfill. In 2019/20 the Trust made savings of £13,555, saved 2507kg of landfill waste and saved 7154kg of carbon.

Recycling

As part of our continued commitment to reduce single use plastics in our patient meal service, Sodexo has signed up to the NHS Plastics Pledge. During 2019/20 the recycling station in the NDDH restaurant was upgraded to encourage more segregation of customer waste.

Water coolers

An opportunity was identified to replace bottled water coolers in a number of areas, with mains fed plumbed-in water coolers. This delivers benefits of a constant supply of water for patients, visitors and staff while removing the need for plastic bottles to be delivered, stored and removed.

Environment, employee matters, social, community and human rights

The Trust takes its responsibilities towards the community it serves very seriously. We recognise the responsibility we have to:

- Meet the health needs of the population we serve as safely, effectively and efficiently as possible.
- Ensure that in designing and delivering health services we fully take into account, and are influenced by, the views and opinions of our patients and patients to be.
- Take into account the impact we have on the environment because this will ultimately have an effect on the communities we serve. The sustainability report section on previous page gives details of the steps we are taking to reduce our environmental impact.
- Take into account our status as the largest employer in northern Devon. This means that decisions we make may well have an impact on the local economy and the health and wellbeing not only of our staff but their families and communities as well.
- Take into consideration our responsibilities, as an ethical organisation, to respect human rights and to ensure that our actions or decisions do not have an adverse impact on upholding human rights.
- Uphold the tenets of the NHS Constitution, which brings together in one place details of what staff, patients and the public can expect from the NHS.
- Uphold the legal framework that exists to promote equality and diversity.
- Take very seriously our commitment to ensuring that staff feel motivated, empowered and are clear about the difference they are making to patient care.
- Ensure that the Trust is a positive place to work and that staff are supported appropriately. The Trust has a support programme which brings together our approach to equality and diversity, training and development, staff engagement, and support for health and wellbeing through occupational health, and access to counselling, staff physio and exercise classes. This year we have placed a particular focus on mental health through signing the Time to Change pledge and encouraging staff to look out for their colleagues.
- Uphold the legal framework in terms of the Bribery Act 2010 by providing staff with a robust and detailed "Standards of Business Conduct" policy and ongoing engagement, support and monitoring by Audit South West (Internal Audit, Counter Fraud and Consultancy Services).

Accountability report

Directors report

As a Board of a public service body, the Trust Board forms the collective strategic and operational leadership of Northern Devon Healthcare NHS Trust and brings together its executive directors with independent non-executive directors.

The Trust Board is ultimately and collectively responsible for all aspects of performance of the Trust. The Board's role is to:

- Provide effective and proactive leadership of the Trust within a framework of processes.
- Take responsibility for making sure the Trust complies with its regulators, relevant statutory requirements and contractual obligations.
- Set the Trust's vision, values and standards of conduct and ensure the Trust meets it obligations to its patients and other stakeholders and communicates them clearly.
- Set the strategic direction of the Trust within the policy and funding framework laid down by Parliament.
- Oversee the delivery of planned results by monitoring performance against agreed objectives and targets, ensuring corrective action is taken when necessary.
- Be responsible for ensuring the quality and safety of healthcare service, education, training and research delivered by the Trust.
- Ensure that the Trust exercises its functions effectively, efficiently and economically.
- Develop procedures and controls which enable risk to be assessed and managed.
- Safeguard the public reputation of the Trust.

Members of the Board of Directors and changes during 2019/20

Board members' details, together with declarations of their relevant interests and committee membership, are detailed on the following pages. Directors must comply with the Trust's Standards of Business Conduct and are required to declare any interests that are relevant and material on appointment or which may arise during the course of their term of office. A register of Board members' interests is maintained by the corporate office and is published on the Trust's public website.

On 18 June 2018, NDHT entered into a collaborative agreement with the Royal Devon and Exeter NHS Foundation Trust, which resulted in a number of changes to the executive team. The following overview details any changes/updates during the year.

Executive team 2019/20

Suzanne Tracey
Chief executive
(joint post with the RD&E)

Suzanne joined the NHS in 1993 having qualified as an accountant with Price Waterhouse. She held the post of director of finance/deputy chief executive at Yeovil District Hospital NHS Foundation Trust from 2002 before joining the RD&E to take up the role of director of finance in 2008, subsequently progressing to deputy chief executive/chief financial officer. She was appointed chief executive of the RD&E in 2016 (acting from July 2016 and subsequently appointed in November 2016).

She is the chair of the Provider Faculty Healthcare Financial Management Association (HFMA) and past president of the HFMA. Suzanne was appointed as chief executive of NDHT in June 2018 as part of the collaborative agreement between the Trust and RD&E.

Pete Adey
Chief operating officer
(joint post with the RD&E)

Pete qualified as a nurse in 1988, subsequently working at Hammersmith Hospital on a number of medical specialty wards prior to progressing to senior nurse. He joined the RD&E in 1995 and undertook roles as divisional manager in a number of services including child and women's health, cancer services, radiology and pathology prior to his appointment as deputy chief operating officer in 2012.

Pete was appointed as executive director of operations in 2016 at the RD&E, formally took up his position on the Board in March 2016 and assumed the role of chief operating officer from March 2017. Pete joined NDHT as chief operating officer in August 2018 under the collaborative agreement between the Trust and the RD&E.

Darryn Allcorn
Chief nurse

Darryn qualified as a registered nurse in 1995 and started his career in acute medical nursing, undertaking a variety of nursing roles before developing an interest in education and organisational development. Initially this transition was as a clinical educator both within the NHS and university arenas, the passion for organisational development continued and he was appointed as head of education and staff development in 2005.

In 2010 he was appointed assistant director for workforce at NDHT. During this time he led a number of service developments and changes in processes that have enhanced staff experience and access to development, whilst supporting a portfolio of organisational development and implementing a process that enabled detailed workforce planning, and enhanced the cohesion of workforce systems but maintained his passion and skills around nursing.

Since 2014 Darryn has undertaken varied Board roles including workforce director and a joint role including nursing, workforce and quality. In July 2016 Darryn also undertook the role of senior responsible officer for workforce as part of the Devon STP and is now the chief nurse at NDHT. Darryn is an Honorary Associate Professor with the University of Exeter.

Hannah Foster
Director of people
(joint post with the RD&E)

Hannah joined the Trust in August 2019, coming to the NHS from Flybe, the Exeter-based airline, where she was director of people. Prior to her Flybe role, Hannah also held top strategic posts for the Church of England and global education provider Pearson, helping both organisations develop key culture and organisational growth programmes.

As well as strategic and business acumen, Hannah brings a strong voluntary and charitable ethos to both NDHT and the RD&E.

Adrian Harris
Medical director
(joint post with the RD&E)

Adrian has spent the last 20 years as a consultant emergency physician at the RD&E. Adrian has directed the RD&E's emergency department for twelve years and has been seconded to both NDDH and Yeovil Hospital as a clinical director. Prior to his appointment as medical director, he served as associate medical director for the surgical division. In preparation for the post of medical director at the RD&E to which Adrian was appointed in April 2015, Adrian completed the NHS Leadership Academy's Executive Fast Track Programme.

Adrian is also a sports physician and head of sports medicine at Exeter Chiefs Rugby Union Football Club. Adrian was appointed as interim medical director at NDHT in June 2018 and as medical director in December 2018 under the collaborative agreement.

Angela Hibbard
Director of finance and performance

Angela joined the NHS in 2003 as a management accountant in South Devon and Torbay NHS Trust (now Torbay and South Devon NHS Foundation Trust). Angela initially supported the women's and children's directorate before expanding her portfolio to include the medical directorate. Following a restructure of clinical services Angela took on a role overseeing the management accounts functions across all clinical services which gave her a really strong grounding in the delivery of frontline hospital services. In 2008 Angela joined the Royal Cornwall NHS Trust to lead on their medium term financial planning and cost improvement planning. During this time Angela supported a number of major service redesign programmes of work.

After 18 months in role Angela took an opportunity to join the South West Specialised Commissioning team to understand more about complex service provision for larger patient populations. During her time there, Angela oversaw the transition into the new commissioning structures as part of the NHS reorganisation in 2012. As part of this process Angela transitioned into a role of head of finance for NHS England leading the finance function for the commissioning of primary care and supporting the CCG assurance process. This role opened up an opportunity in 2014 to join NHS Northern, Eastern and Western Devon CCG as deputy chief finance officer overseeing the CCG's finance function for financial reporting and operational planning.

Angela quickly started to fill the space required as part of the Success Regime and later the STP to bring the finance network of organisations together within Devon. Angela joined NDHT in 2018.

Andy Ibbs
Executive director of strategic development – left June 2019

Andy joined the NHS in September 1990 when he worked at the Royal London Hospital with responsibility for improving immunisation and developmental check rates amongst children in one of the most deprived areas of the country. He moved to Dartford in June 1991 to become head of information management and technology for a new community and mental health services NHS trust where he installed the first desktop computers and local area network.

In January 1994 he moved to Somerset and over the next five years had a variety of roles with Somerset Health Authority, culminating as head of acute commissioning and leading the county-wide acute services review. In July 1999 he took on the post of head of service development at Plymouth Hospitals NHS Trust (now University Hospitals Plymouth NHS Trust) and in April 2001 was promoted to director of planning with responsibility for strategic, service and capital planning. He was project director for the construction of the South West Cardiothoracic Centre and the Peninsula Medical and Dental Schools.

In July 2007 he started working with NHS South West undertaking a number of time-limited projects and was also regional lead for competition and system management. Andy joined the Trust in February 2012, initially on secondment before taking up the substantive role of commercial director. He subsequently became director of strategy and transformation before being appointed as director of operations and strategy. Andy was interim chief executive from 1 April to 18 June 2018, before commencing a 12 month secondment as executive director of strategic development. He left the Trust in June 2019.

Iain Roy
Director of facilities – retired August 2019

Iain started his NHS career in 1983 as an apprentice tradesman in West Hertfordshire and has developed this career across a number of sites. He joined the Trust in April 1999 as director of facilities.

Over the years, the directorate developed to include services such as procurement, central services sterile department and in 2012 healthcare records. Iain was a member of the Chartered Quality Institute and had a particular interest in environmental management, and the development of quality systems and the continuous improvement on partnership working both within the NHS and the private sector. Iain left the Trust in August 2019.

Julie Cooper
Interim director of people (joint postwith the RD&E) – left August 2019

Julie joined the NHS in 1990, working in community trusts in the Midlands before becoming director of HR in 2003 at the Walsall provider of community and mental health services. During her time there, the Trust rose to the top ten of the NHS league table for staff survey results and finished first in the region for the Improving Working Lives initiatives. As director of workforce and organisational development in a Birmingham primary care trust, she saw the Trust win the HSJ Workforce Development Award in 2010 for its apprenticeship scheme.

A spell at the Department of Health followed, where she contributed to the development of the governance framework and role outlines for the governing body of CCGs. In recent years, Julie has worked as an independent consultant, managing a portfolio of assignments and supporting numerous NHS organisations in senior interim roles and with specialist consultancy services throughout the country. Julie left the Trust in August 2019.

Chairman and non-executive directors 2019/20

James Brent
Chairman
(joint post with the RD&E)

James joined the RD&E in May 2012 and is both chairman of the board of directors and the council of governors. He was an investment banker for twenty-five years and established Akkeron Group which has key business activities in hotels, urban regeneration, retail and leisure. He is also chairman of Hawksmoor Investment Management Limited, a private client investment and fund management group. He has combined his commercial ventures with a desire to contribute in a range of public sector settings as well, for example previously as chairman of Plymouth City Development Company and Plymouth University.

James was appointed as chairman of NDHT on 1 July 2018. James' term of office will end on 30 June 2021.

Tim Douglas-Riley CBE OStJ
Non-executive director

A qualified doctor, Tim spent his entire professional career as a medical officer in the Royal Navy. He held a wide variety of clinical and administrative posts in the UK and operational settings ranging from base ports and training establishments through to Northern Ireland, the Falklands, the Royal Yacht, 22 Special Air Service Regiment and as the medical commander in Afghanistan. He gained a Royal Marines Green Beret, was a qualified parachutist and sports diver and has had additional training in diving, aviation and nuclear safety medicine as well as attending senior level staff courses.

In the last decade of his service career, he held a variety of Ministry of Defence and Navy Command positions where he was involved in the strategic planning of personnel policy, workforce structures, operational requirements and organisational change. His final position was the director of the Royal Naval Medical Service where he was responsible for the entire spectrum of healthcare delivery across the Royal Navy.

Tim was awarded a CBE in 2009 for his leadership of the Royal Naval Medical Service and his contribution to strategic change programmes within the Defence Medical Service Department. Additionally he was made an officer brother in the Order of St John for his services to the Royal Naval and Defence Medical Services. He is an associate member of the Chartered Management Institute.

He joined the Trust in July 2012 as an associate non-executive director to provide clinical experience within the non-executive team. He was appointed as a non-executive director in May 2013. His current term of office will end in May 2021.

Robert Down
Non-executive director

Robert has a background in the oil and gas industry, managing and leading the technical and financial activities of a large, complex multinational company and working in operations and project management.

Robert was previously chairman of Anchorwood Ltd between 2015 and 2019 and is also a director of UNESCO North Devon Biosphere Foundation.

He joined the Trust in February 2015 as a non-executive director. His current term of office will end in February 2021.

Pauline Geen
Non-executive director

Pauline has worked for more than 30 years in the public and private sector, with key roles in administration, facilities management and customer service.

Pauline's career began in 1976 with the Central Electricity Generating Board in the company secretariat. She progressed into facilities management and property services. She was the senior facilities manager for Severn Trent Water for eight years. During this time, she engaged with key stakeholders to develop a facilities management strategy and new service model which delivered cost efficiencies and improvements in customer service. She worked for the National Policing Improvement Agency as service delivery lead overseeing a large property portfolio including national police training centres, offices and data centres. She has received awards from the British Institute of Facilities Management in customer service and the British Safety Council for excellence in health and safety.

Pauline joined the Trust in March 2011 as a non-executive director and her current term of office will end in March 2021.

Tony Neal
Non-executive director

Tony has a background as a management consultant in IT and business consultancy with a particular focus on organisational visioning, development and change, with previous extensive Board level experience with BT and Fujitsu.

He has worked locally with each of the South West local authorities and a number of third sector organisations, chiefly as an interim manager and leading/supporting business turnaround and change.

Tony joined the Board in January 2016 as a non-executive director and his current term of office will run to January 2022.

Kevin Orford
Non-executive director

Kevin has a background in finance with previous roles as both an executive director and a non-executive director in the NHS and as a trustee on charity boards.

He has most recently served as a non-executive member for governance (audit and risk committee chair) for Southern Derbyshire Clinical Commissioning Group and was formerly director of finance and then chief executive of East Midlands Strategic Health Authority. He also serves on the Board of the Intellectual Property Office.

Kevin joined the Trust in April 2019 and his current term of office ends in March 2021.

Board meetings

The Trust Board met on ten occasions during 2019/20 on the following dates:

- 11 April 2019 (confidential agenda only)
- 2 May 2019
- 6 June 2019 (confidential agenda only)
- 4 July 2019
- 5 September 2019
- 3 October 2019 (confidential agenda only)
- 7 November 2019
- 2 January 2020
- 6 February 2020 (confidential agenda only)
- 5 March 2020

In addition, extraordinary confidential Board meetings were held on:

- 23 May 2019
- 18 July 2019
- 20 November 2019
- 19 December 2019

The Board conducts its business in accordance with the Standing Orders and Standing Financial Instructions. Papers for the Trust Board meetings are published on the Trust's public website.

Membership of the Board consists of the chairman, five non-executive directors and five executive directors, including the chief executive. The director of people also attends Trust Board meetings as a non-voting member of the Board. In addition, the director of facilities attended Trust Board meetings as a non-voting member until his retirement in August 2019. Board members' attendance at Trust Board meetings is detailed in the table below.

Name	Attendance
Mr J Brent	14/14
Mr P Adey	13/14
Mr D Allcorn	14/14
Ms J Cooper[1]	6/7
Dr T Douglas-Riley	8/14
Mr R Down	14/14
Ms H Foster[2]	6/8
Mrs P Geen	12/14
Prof A Harris	12/14
Mrs A Hibbard	14/14
Mr A Ibbs[3]	4/4
Mr T Neal	12/14
Mr K Orford	11/14
Mr I Roy[4]	5/6
Ms S Tracey	12/14

1. Ms J Cooper left the Trust in August 2019
2. Ms H Foster joined the Trust in August 2019
3. Mr A Ibbs left the Trust in June 2019
4. Mr I Roy left the Trust in August 2019

Board development days

One Board development day was held during the year, which was used to further develop the Board's performance and effectiveness.

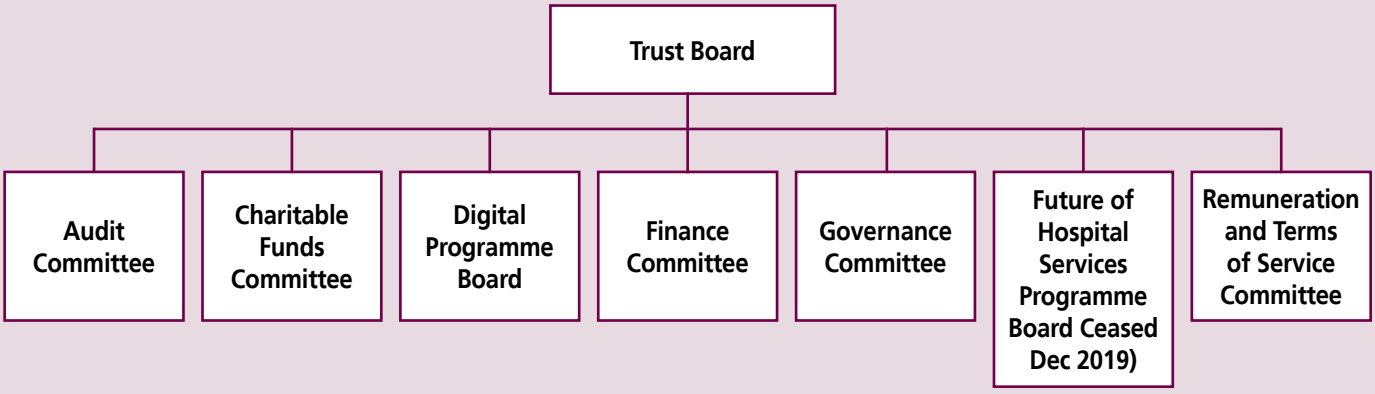
Sub-committees of the Trust Board

As reported in the 2018/19 annual report, a governance review was undertaken by the Trust to look at committee structures, as well as executive portfolio responsibility, and the new structure has continued to develop and embed over the course of the last year.

A review of the new arrangements will be undertaken by the governance committee to ensure that the new systems have delivered their objectives.

The current governance meeting structure is shown below.

Current governance meeting structure



In line with the enhanced governance systems, the integrated performance report has continued to be refined to improve the quality of the information presented to the Board, allowing for more rigour in the Board's assessment of delivery of plan and performance against key national standards. This has enabled a more robust and informed debate at Board on the key challenges faced and the recovery actions being taken.

Audit committee

The audit committee ensures that an effective system of internal controls is in place and maintained. Independently of the Trust Board, it reviews and scrutinises the Trust's objectives and the associated risks and controls set out in the Board Assurance Framework. The committee comprises of three non-executive directors, chaired by Kevin Orford.

The director of finance, performance and facilities and the chief nurse regularly attend and all other members of the executive team routinely receive papers and attend when the agenda demands.

Register of interests

The Board regularly updates its register of directors' interests to ensure that each member discloses any outside interests such as company directorships or other material interests which may conflict with their management responsibilities. Board members also have the opportunity at the start of each meeting to declare any interest which may impact on their ability to take part in discussions or to declare at any point in the agenda any potential conflict that arises based on nature of discussions.

The full register of interests for Board members can be found on the Trust website www.northdevonhealth.nhs.uk/about/who-we-are/trust-board

Signed 
Chief Executive

Date: 4 June 2020

Governance statement

Scope of responsibility

As accountable officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Trust's policies, aims and objectives and regulatory compliance, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring the NHS Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives and to the safety of patients and staff. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Northern Devon Healthcare NHS Trust to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Northern Devon Healthcare NHS Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust implemented a revised Governance Performance System in January 2019, having adopted the same model as the RD&E (with whom the Trust is engaged in a collaborative agreement).

The chief nurse and medical director have joint accountability for clinical governance, with the chief nurse having overall oversight and leadership of risk, supported by a risk manager and governance roles within the divisions. These roles are further supported by an electronic reporting system (Datix) and governance structures that oversee, scrutinise and gain assurance on identified risks within the parameters of the risk appetite that has been reviewed and agreed by the Trust Board.

The audit committee monitors and oversees both internal control issues and the process for risk management. ASW Assurance (internal audit) and KPMG (external auditors) attend all Audit Committee meetings. The Audit Committee receives all reports of the internal and external auditors and reports regularly to the Trust Board.

Risk issues are reported through the governance committee via the safety and risk committee and the Trust's management structure. Management of risk is delegated to the appropriate level from director through the divisional management teams.

As part of the revised Governance Performance System, each division has a governance group which meets regularly to manage risk and report and escalate concerns via the five sub committees of the governance committee. Performance management of any governance/risk action plan is managed via the Trust's Performance Assessment Framework (PAF) led by the chief operating officer. Strategic risks are managed via the Trust Board Assurance Framework (BAF) as detailed below.

The Trust Board has a senior independent director to be available to staff and members of the public if they have concerns, where contact through the normal channels of chairman and chief executive have failed to resolve them or for which such contact is inappropriate. In addition the Trust has a whistleblowing policy to guide and protect staff who raise issues of concern. The Trust also has six Freedom to Speak Up guardians who report to the chief nurse.

Staff are trained to manage risk in line with the Trust's risk management policy appropriate to their authority and duties. This is provided and further supported through risk surgeries undertaken in both the clinical divisions and corporate departments.

The Trust has a cohort of staff (clinical and non clinical) who have been trained to conduct Serious Incident (SI) Investigations. The risk manager co-ordinates serious incidents and adverse incidents and these are reported through the incident review group (a sub group of the safety and risk committee). In addition to direct feedback to relevant clinical teams the Trust holds regular "Big Governance" sessions which are designed to share learning from incidents with all Trust staff.

All SI investigation reports and action plans are shared with the Trust's lead commissioner, NHS Devon CCG.

The risk and control framework

The Trust Board is responsible for the strategic direction of the Trust and as such is also responsible for the Board Assurance Framework (BAF) which identifies the key risks and mitigations related to the Trust's strategic objectives and priorities. The Trust Board revised its BAF and process early in 2019 in line with the new Governance Performance System. A formal review of the BAF is undertaken by the Trust Board on a quarterly basis with a standard agenda item on each Board prompting the Trust Board to constantly seek to identify new risks. A review of the newly implemented BAF was undertaken by internal audit at the beginning of 2020 which was rated "satisfactory".

The identification of risk

The Trust has a risk management policy which has been approved by the safety and risk committee and sets out the process for identifying and managing risk and the Trust's risk appetite.

The key objectives of the risk management policy include:

- Defined clear lines of accountability and responsibility
- A systematic approach to the identification, assessment and prioritisation of risks
- An effective system for controlling and reducing risks
- A robust reporting and monitoring system for identified risks
- Risk management training for staff identified as having a key role in risk management

It is every employee's responsibility to identify and escalate risks. Staff will be supported by training, locally based to an appropriate level of autonomy. Risk assessments are a key feature of all normal management processes. All divisions, departments and specialties must have an on-going programme of proactive risk assessments supported by risk surgeries.

The Trust uses a standard methodology in which risk is evaluated using a likelihood/consequence matrix (5 by 5). The Trust Board has set its risk appetite as 8, with risks scoring below 8 being regarded as managed risks. The Trust Board has set a risk threshold of risks scoring 12 and above or where those risks have a Trust-wide impact for consideration onto the corporate risk register. The Safety and Risk Committee approve risks on and off of the corporate risk register and agree dates for mitigating actions to be completed. A summary report of the corporate risk register is presented to the governance committee each time it meets. All other risks are managed at departmental and divisional level with regular risk surgeries being undertaken to provide independent review and scrutiny.

There are 32 current risks on the Trust's corporate risk register (CRR). This is following a significant piece of work to review and refresh the CRR to ensure all risks are up to date, appropriately scored and actively overseen. Action plans are in place and are assigned to a manager who is responsible for ensuring that the risk is either eliminated or managed appropriately. Newly introduced risk surgeries are in place with the head of governance reviewing all risks on the CRR with the manager of the risk to ensure that risks are proactively managed down to their end target score.

Incident reporting

Incident reporting provides an important prompt for risk assessment. Incidents and near misses are all reported through the Trust's electronic reporting system, Datix, in accordance with Trust policies and procedures. Incidents are recorded on Datix and the recorded incidents provide data for analysis to the incident review group and up through the safety and risk committee.

The Governance Performance System ensures the Trust Board receives assurance from the governance committee who are responsible for ensuring that governance is embedded in the organisation, the Trust operates within the law, complies with its regulators and delivers safe, quality and effective care.

It provides assurance to the Trust Board that the Trust has effective systems of internal control in relation to risk management and governance.

Five committees report to the governance committee:

- Integrated safeguarding committee
- Clinical effectiveness committee
- Workforce governance committee
- Safety and risk committee
- Patient experience committee

A range of sub groups report into each of these committees, reporting key issues upwards to provide the assurance that risks and issues are managed and mitigated.

The effectiveness of the governance structure is measured continually, with a set reporting structure through sub-groups and committees and a planned internal audit review which will be presented to the Trust Board.

The responsibilities of each committee within the governance performance system are clearly defined within their terms of reference which include the purpose, duties and responsibilities and defined membership. All of the Trust Board members have defined portfolios identifying their individual responsibilities.

Reporting lines and accountabilities from the sub-groups through to Trust Board are clearly defined and visualised within the Trust governance schematic and through the terms of reference and each reporting structure and work plan.

The Trust is registered with the Care Quality Commission and last underwent an inspection in 2019 where it was rated overall as 'Requires Improvement', with individual ratings of 'good' for the caring and effective domains.

- The Trust was issued with a number of must do action. A detailed action plan has been created and is monitored by the governance committee via the safety and risk committee.

The Trust Board has detailed oversight of the overall performance of all services. A full integrated performance report is presented to each Trust Board meeting with dedicated operational meetings reviewing any areas requiring monitoring or improvements.

Cost Improvement Plans have a Quality Impact Assessment undertaken which is reviewed by the clinical executives. Incident reporting is encouraged at all staff levels and the Trust has been a consistently high reporter for many years which is reflected as a positive culture within the national reporting and learning system.

Workforce strategies and staffing systems

The Trust has systems and processes in place to assess whether there are sufficient, suitably qualified, competent staff to meet the treatment needs of our patients safely and effectively. The Trust benchmarks staffing and effectiveness against the model hospital data staffing establishments and safe staffing data is reviewed and monitored daily by the safer staffing huddle and monthly via the patient safety operational group. An overview is provided to the Trust Board in the integrated performance report on a monthly basis.

The demand and capacity planning undertaken to inform the Trust's operational plan identifies the broad workforce priorities and involves full clinical engagement with robust exploration of assumptions and appropriate challenge.

The Trust needs however to improve its longer term workforce planning approach and is currently identifying its preferred model to support this work. The review of the people strategy will see the development of a comprehensive implementation plan to address the workforce challenges for the future but there are a number of systems in place that support the Trust now in ensuring the appropriate use of its current workforce.

The Trust has 95% of all staff on an electronic rota and has been assessed independently as having effective rotas, using a full suite of rostering tools to support the deployment of staff at the right place and time. The Trust continues to improve its ability to optimise staff use with the addition of electronic job planning for medics. This is linked to both establishment and financial systems.

The Salford safer care nursing tool is used to undertake a census three times a day to assess the acuity and care hours per patient per day and this data is reviewed by the senior nursing team to inform their decision-making on staffing.

The staffing tactical meetings which also happen daily are supported further by an additional assessment in the afternoon to plan night time staffing levels. The daily staffing plans are further supported by a six-monthly skill mix review which is presented to the Trust Board. The skill mix reviews use the relevant tools as set out by the National Quality Board in 2016 and also detail clinical judgement, triangulated with safety metrics and patient outcomes to support safe and effective skill mix.

Recruitment and retention remain a priority for the Trust with a working group established to develop and monitor the implementation of a retention plan. Turnover has seen a significant improvement in year and there continues to be a focus across the organisation on recruiting to gaps and minimising agency usage.

The Trust has been supported by NHS Improvement with a review of its temporary staffing systems and processes with agency usage being managed and monitored robustly against establishment through an electronic system. This is also reported to the Trust Board on a monthly basis through the Integrated Performance Report.

The Trust believes the above is in line with the 'developing workforce safeguards' recommendations on using evidence based tools, professional judgement and outcomes to ensure safe staffing processes exist and are in line with the National Quality Board guidance.

Register of interests

The Trust requires all staff to make an annual declaration of interests in line with the 'Managing Conflicts of Interests in the NHS' guidance introduced in 2017. In addition, staff are asked to submit updates during the course of the year should there be a change or addition to their declaration. Work is in progress to publish an up-to-date register of interests for decision-making staff for 2019/20 which will be published on the Trust's public website and updated as declarations are received during the course of the year.

The Trust publishes on its public website a full register of interests declaration for all Trust Board members quarterly and regular 'live' updates when new interests are declared or there are changes to existing interests.

NHS pension scheme

As an employer with staff entitled to membership of the NHS pension scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the scheme are in accordance with the scheme rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Equality, diversity and human rights

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

All policies and procedural documents have an Equality Impact Assessment which must be completed to assess impact against the protected characteristics.

The Trust has an equality and diversity strategy and equal opportunities policy which covers patients and staff.

Sustainable development management plan

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and adaption reporting requirements are complied with.

Review of economy, efficiency and effectiveness of the use of resources

The national financial environment of the NHS which NDHT is operating in continues to be challenging. During 2018/19 the Trust went into financial deficit and was unable to meet the financial target set by the regulators. The reasons for this were well understood and acknowledged by regulators in a resetting of the financial target for 2019/20 and beyond as part of a financial improvement trajectory.

The target set for 2019/20 was a deficit of £14.1m which, if delivered, would enable the Trust to earn additional income to return to breakeven. A plan of how this target could be met was formulated though close collaboration between the operational and finance teams to ensure the financial impact of the demand, capacity and resultant performance trajectories was reflected. The plan recognised a need to deliver a savings programme of £10m to deliver against the national efficiency expectation of 1.6% but also to make the marginal improvement to the overall financial position required.

The plan was scrutinised by the Trust Board and it was recognised at this point that there was a £4m gap in the savings plan plus an additional £0.5m risk due to the risk share arrangements in place across the wider Devon STP. With a number of mitigating actions in place the Board approved the plan and accepted the control total of a £14.1m deficit prior to additional national income.

Starting the year with a significant financial risk has required an increased level of scrutiny through the finance committee and Trust Board, to ensure the risk was reduced during the financial year through a number of mitigating actions. This was equally important as those savings opportunities that had been identified started to slip and were replaced through non recurrent one off benefits. The financial pressure remained evident during the year, particularly as demand continued to be above plan, creating further operational pressures to be managed. Through close working with the operational team and the finance team, these pressures have been managed through continued assessment of priorities against available resources and the benefit of investment slippage and other underspends allowing the Trust to deliver the financial plan.

The Trust Board along with its supporting committee structure, particularly the finance committee and audit committee, has played a vital role in assuring the overall financial position during this challenging year. The Board has a clear responsibility to test the deficit position and the level of risk being managed to ensure decisions made provide the best value and are linked to a need to safeguard against worsening clinical outcomes for our population. The Board needs to manage the balance between the financial position, operational performance and quality of services delivered.

Detailed briefings have been provided directly to the Board and also to the finance committee on the financial position, ensuring all risks identified were reported to the Board in a clear, concise and timely manner. The non-executive Board members have been key in testing the validity of assumptions and deliverability of mitigating actions to provide assurance on the accuracy of the financial reporting.

An element of assurance provided to the Board is the rigidity of the financial control processes. A review has been undertaken in year of key controls in place to manage cost growth within the organisation. This includes:

- Budget setting and budget management processes
- Refining the role of divisional finance leads to strengthen financial support to divisions
- Divisional performance meetings and accountability
- The use of the operational board for decision making
- The business case process
- Demand and capacity planning and planning process for 2019/20
- Monitoring of cost improvement plans
- Weekly forecasting from month 6 to manage emerging pressures in a timely way

Assurance on the Trust's financial control environment is provided through the internal audit plan which includes sections on financial assurance and managing resources effectively. The findings of all audits are reported to the audit committee. There is also scrutiny as to the economy, efficiency and effectiveness of the use of resources as part of the external audit plan.

A key priority for the Trust moving forward is on clinical and financial sustainability and the financial recovery plan needs to move the Trust towards a breakeven position, without the need for additional national income, whilst providing the level of service required for our population. The key drivers of the deficit are being understood so that the recovery plan focuses on those areas of cost that we are able to control whilst recognising the pressures facing a remote organisation such as NDHT.

Single oversight framework

NHS Improvement's single oversight framework provides the framework for overseeing providers and identifying potential support needs.

The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where 4 reflects providers receiving the most support, and 1 reflects providers with maximum autonomy.

NDHT has been placed in segment 2 based on support needs identified in quality of care, finance and use of resources and operational performance. This support is being provided through the collaborative agreement with the RD&E. This segmentation information is the Trust's position in March 2020. Current segmentation information for NHS trusts is published on the NHS Improvement website.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where 1 reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the single oversight framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

The Trust's overall score is a 3 which represents a significant improvement on the previous financial year where all indicators scored 4. The improvement is due to the Trust being able to accept the control total target set, and then deliver in year with a resultant breakeven position following additional national income earnt.

Although this provides the cash required to improve the liquidity position the liquidity score remains at a four. This is due to a change in the technical accounting treatment of historic debt and is an in-year issue only. This position will therefore improve next financial year.

Another indicator which remains on a score of 4 is the agency score due to the Trust's reliance on agency workforce resulting in spend being above the agency cap set by the regulator as a percentage of total staff pay. The cap is calculated based on the historic level of agency spend in the 2016/17 financial year and does not reflect the current level of workforce challenge.

Area	Metric	2019/20 score
Financial sustainability	Capital service capacity	2
	Liquidity	4
Financial efficiency	I&E margin	2
Financial controls	Distance from financial plan	1
	Agency spend	4
Overall scoring		**3**

Information governance

Information governance and cyber security services are delivered by the information governance team, working with cyber security specialists, within Digital Healthcare Services. Executive responsibility lies with the Trust's medical director who is also the Trust's designated Senior Information Risk Owner (SIRO).

In respect of the governance arrangements in place, the Trust has established an information governance steering group (IGSG) which meets six times a year. There are three sub groups reporting into the IGSG which are;

- The records sub group – Ensuring robust processes for records management.
- Data assurance group – Monitoring and promoting best practice for ensuring the quality of the Trust's data assets.
- Cyber security group – Monitoring and securing the Trust's cyber security and digital assets.

Reports from each of the sub groups, including escalated issues and risks are sent to the IGSG for consideration and guidance. A summary of the IGSG activities and issues for consideration are supplied to the Trust's safety and risk committee following each meeting. The chief information officer chairs the IGSG and is a member of the safety and risk committee.

The Trust has also recently appointed a new Caldicott Guardian – Dr Karen Davies, associate medical director for unscheduled care. The role of the Caldicott Guardian is being the senior person responsible for protecting the confidentiality of people's health and care information and making sure it is used properly.

In respect of the reporting of serious information governance incidents at Level 2 to the information commissioner's office, there were none during 2019/20. The planned submission of the Trust's information governance compliance performance via the Data Security and Protection Toolkit in March 2020 has been postponed until September due to Covid-19 pressures on the NHS.

Annual quality account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare quality account for each financial year.

The Trust prepares, submits and publishes quality account annually in line with the above regulation. The requirements of the quality account are submitted from the relevant services with current data. The projects for improvement are reviewed for completeness from the previous year and projects for improvement for the forthcoming year are agreed through key data metrics with oversight from the safety and risk committee and approved at Trust Board. It is important to the Trust that the account is co-designed.

Review of effectiveness

As accountable officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the audit committee, governance committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The embedding of the revised Governance Performance System this year has enabled me to ensure that the right governance structure is in place and supported through a culture of governance. Whilst this is a period of change I am assured that the right mechanisms are being embedded to ensure governance flows through all levels of the organisation.

At the time of writing this report, the Trust Board has approved a revised approach to governance 'Governance Lite' due to Covid-19. The Governance Performance System has been reviewed to reflect the impact of Covid-19, particularly on its staffing resource and has streamlined its governance system to support the Trust's ongoing focus and priority of governance and patient safety. The revised arrangements commenced on 1 May 2020 and will be trialled for an initial three month period.

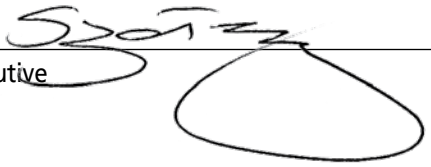
In addition to this, my view of the effectiveness of systems of control is informed by:

- A view of the overall position with regard to internal control by the Trust Board through its routine reporting processes and its work on corporate risk and the Board Assurance Framework
- Monitoring of the Care Quality Commission and Trust quality improvement programme
- Receipt of internal and external audit reports to the audit committee
- Personal input into the controls and risk management processes from all executive directors, senior managers and clinicians
- The annual head of internal audit opinion which states that satisfactory assurance can be given, that there is a sound system of internal control and that controls are generally being applied
- Safe Staffing reviews
- Assessments by external agencies
- Care Quality Commission inspections
- Internal management reports
- Results of national patient and staff survey results and development of action plans

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the activities of the Trust Board, its sub-committees and the Trust management.

Conclusion

I am satisfied that effective systems of internal control are in place and that the culture of risk management is a key focus at Northern Devon Healthcare NHS Trust. There are no significant internal control issues which have been identified during the course of the year or in relation to this annual governance statement.

Signed 
Chief Executive

Date: 4 June 2020

Head of internal audit opinion

on the effectiveness of the system of internal control as at 15 May for the year ended 31 March 2020

Roles and responsibilities of the organisation

The whole Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The annual governance statement is an annual statement by the accountable officer, on behalf of the Board, setting out:

- How the individual responsibilities of the accountable officer are discharged with regards to maintaining a sound system of internal control that achieves policies and aims and objectives.
- The governance framework of the organisation including the committee structure, the structure and use of the Assurance Framework, as assessment of the Board's effectiveness and its compliance with the Corporate Governance Code.
- How risk is assessed and managed including a description of the risk management and review processes.
- The conduct and results of the review of the effectiveness of the system of internal control, including any disclosures of significant control deficiencies together with assurances that actions are or will be taken where appropriate to address issues arising.

The organisation's Assurance Framework should bring together all of the evidence required to support the annual governance statement requirements.

Roles and responsibilities of internal audit

In conformance with the Internal Audit Charter, Public Sector Internal Audit Standards and the Core Principles for the Professional Practice of Internal Auditing, the head of internal audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control).

The purpose of the head of internal audit opinion

The purpose of my annual opinion is to contribute to the assurances available to the accountable officer and the Board which underpin the organisation's own assessment of the effectiveness of the organisation's system of internal control. This opinion will in turn assist the Board in the completion of its annual governance statement. The opinion does not imply that internal audit has reviewed all risks and assurances relating to the organisation.

The opinion is substantially derived from a risk-based plan generated from an organisation-led Assurance Framework that takes into consideration the strategies, objectives and risks of the organisation, the expectations of senior management, the Board and other stakeholders, that has been agreed by management and approved by the audit committee. The opinion includes appropriate context and oversight of the organisation, including reference to the governance and control environment during Covid-19. This approach provides a reasonable level of assurance, subject to the inherent limitations described in the opinion.

As such, it is one component that the Board takes into account in making its annual governance statement.

This opinion is provided by internal audit, externally assessed as compliant with Public Sector Internal Audit Standards.

Overall opinion

Context of opinion

The Trust has been working in partnership with the Royal Devon and Exeter NHS Foundation Trust (RD&E) as part of a collaborative agreement since June 2018 in order to sustain clinical services in northern Devon and to provide leadership and management support. As part of that agreement, the Trust has been developing its governance arrangements. In year, a new Board Assurance Framework has been developed and the Trust is embedding the new risk management arrangements.

In response to the global Covid-19 pandemic, and in the light of guidance from NHSI for the need for trusts to be 'Governance Lite' during this period, the Trust has reviewed and revised its Governance Performance System (GPS) that should allow appropriate governance processes to remain in place that comply with regulators and deliver safe, quality and effective care. The revised flatter, focused GPS has been approved by the Board following input from both the executive and non-executive teams. A joint governance committee has been established with the RD&E, that along with the audit committee, will report and provide assurance on "must do" business directly to the Board, that will meet monthly during Covid-19. An Eethics committee will also report to the Board. The joint governance committee will consider Covid-19 related risks to be added to the Corporate Risk Register in May. The Trust will also be considering the addition of a strategic risk to the Board Assurance Framework.

Revised governance around the expenditure required for Covid-19 supplies was also agreed by Board to ensure transparency, prompt procurement and documentation for subsequent re-imbursement.

In 2020/21 we will review the effectiveness of core governance processes during Covid-19.

The Trust has acknowledged the areas of weakness identified from internal audit reviews undertaken during the year and is monitoring improvements through the audit committee.

The **basis** for forming the opinion is as follows:

1. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes.

2. An assessment of the range of individual opinions arising from risk-based audit assignments contained within the internal audit risk-based plan that have been reported throughout the year. This assessment has taken account of the relative scope and materiality of these areas and management's progress in respect of addressing control weaknesses.

3. Any reliance that is being placed upon third party assurances.

Third party assurances

The ISAE 3402 Third Party Assurance report in respect of IT General Controls in respect of the Electronic Staff Record (ESR) for the period 1 April 2019 to 31 March 2020 has not been received, as at the date of this opinion, and therefore we have not placed any reliance on third party assurances in preparing the overall opinion.

My overall opinion is that:

Satisfactory assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and controls are generally being applied consistently. Weaknesses in the design and/or inconsistent application of controls in some key areas put the achievement of particular objectives at risk.

The assurances provided from the work undertaken, which together support this opinion, are set out below.

Corporate governance and risk management – assurance framework

The table below details the audit and assurance work completed relating to the Trust's risk management, assurance framework and corporate governance arrangements.

Audit	Assurance rating
Risk management arrangements / board assurance framework (BAF)	Risk managements – Limited / BAF – Satisfactory
Complaints	Limited
Closed actions follow-up	Satisfactory
Governance – committee structure – committee effectiveness	Satisfactory
Mock CQC review – victoria ward	Significant

Board assurance framework and risk management

The Trust has made good progress over the past 12 months in reviewing its governance and risk management processes. Both the board assurance framework (BAF) and risk management arrangements are continuing to develop further to ensure they become fully effective. The Trust has a well-developed approach to the BAF, which satisfies best practice principles as set out in national guidance. The BAF is being used effectively, enabling focus on those risks that may have an impact upon achieving the Trust's six key priorities, and provides a level of assurance to the Board about the effectiveness of the controls in place to mitigate against these risks. To ensure that the BAF is used to its best effect, it should be linked to strategic objectives, following the agreement of a Trust strategy.

Although there are adequate arrangements in place to manage risk within the Trust, our review has highlighted that there is still further work to do in fully embedding these processes from the divisions through to the Trust Board. We have made a number of recommendations to assist this development.

Governance arrangements

Our review of the Trust's new governance arrangements concluded the governance committee and its five sub-committees are operating in line with their terms of reference and support the delivery of safe quality and effective care. However, such committees need to focus on ensuring quoracy of meetings, and embedding the arrangements for: ensuring reports are presented to committee meetings in line with reporting schedules; the consistent escalation of items to the governance committee/Board of directors; and that actions agreed through committees are consistently monitored through to completion, to clearly demonstrate that the Trust's governance arrangements support the delivery of safe, quality and effective care.

Complaints

Timescales with regards to completing a complaints investigation and sending a final letter to the complainant, as set out in the Raising Concerns and Complaints Policy had not been consistently met. Learning from Trust-wide incidents was not being shared across the organisation, which could result in the incident recurring or a negative patient experience.

The Trust is revising the complaints process which should enable timescales for dealing with complaints, including investigations, to be more regularly attained through the involvement of the divisional governance coordinators (DGC). We understand complaints assigned to each division will be closely monitored by DGCs to include oversight of complaints investigation action plans through to completion.

Financial management assurance

The table below details the audit and assurance work completed on the Trust's financial management systems.

Audit	Assurance rating
High level financial controls	Significant
Cash & bank	Significant
Payroll	Significant
Charitable funds	Significant
Cost Improvement Plans (CIP)	Limited

Financial systems controls

Robust financial controls were found to be in operation within the key financial systems reviewed, thus ensuring the integrity of those systems.

CIP

Our review carried out between May and June 2019 recognised that the Trust was escalating work to ensure the CIP was put in place and had started to develop a robust system for managing CIP which would benefit the Trust significantly in future. The development of the CIP process and programmes/schemes had been conducted too late into the financial year to have had a positive impact for the 2019/20 year. Future CIP arrangements should be put in place in conjunction with the overall financial planning cycle.

As reported to the audit committee, we understand that the Trust has made a number of improvements since our review including CIP guidance documents and templates being created and published on BOB, quality review panels established to review Quality Impact Assessments, improved reporting through the operational delivery group and monthly highlight and summary reports to demonstrate achievements in delivering projects.

Corporate assurance

The Trust took the opportunity through the Audit and Assurance Plan for 2019/20 to focus resource on areas where internal audit could add the most value to the Trust in its drive to provide the best services to its patients. Although our work provided areas of limited assurance, the Trust has responded positively to our findings and is in the process of taking appropriate action to mitigate the risks we identified. The robustness of the actions taken and the sustainable improvements made to practices as a result of our work are monitored through the audit committee.

The table below details the audit and assurance work completed to date on the Trust's corporate assurance areas.

Audit	Assurance rating
General Data Protection Regulation (GDPR)	Limited
Duty of Candour (DoC) follow-up	Recommendation follow-up – Satisfactory / DoC Incident Documentation – Limited
Outpatients	Limited
Business continuity	Satisfactory
Clinical waste follow-up	Satisfactory / Segregation of waste – Limited
Recruitment	Satisfactory

Outpatients

Although the Trust has a process in place to record outpatient clinic appointment outcomes on TrakCare, this had not always happened, as patients may not return the outcome form to the OP reception desk, the forms may not be completed or they may be mislaid. This could affect the scheduling of follow-on care which a patient should receive, as well as the correct recording of the referral to treatment (RTT) status for accurate performance reporting, and possibly financial penalties, if RTT targets are breached.

Although the main outpatients (OP) department allocates the type of staff by skill/ banding appropriately to OP clinics, due to working patterns/ shifts lengths, and the robustness of the current system used in booking clinic rooms, staff were not always used effectively. This can result in wasted hours of staff time, which could be used more productively. A further review by the Trust of clinic availability (and consultant time) could enable the Trust to offer more OP clinics as well as better staff utilisation.

As reported to the audit committee, we understand that the Trust has made a number of improvements since our review, including the use of a new Bookwise system to better manage the use of clinic rooms, piloting the use of Trackcare for clinicians to directly record clinic outcomes and training options for clinicians on the correct recording of RTT status for clinic outcomes.

General Data Protection Regulation (GDPR)

We assessed the Trust's compliance with the Information Commissioner's Office (ICO) 12 steps. Although there has been noticeable improvement in information governance training levels, the Trust still needs to undertake significant work in order to achieve full compliance with the GDPR (Data Protection Act 2018). It was not possible to tell whether all information is held and processed in line with the requirements of GDPR.

Clinical waste follow-up

The Trust has responded positively to our previous Limited Assurance review and some improvement in practice in training and central management has been seen, however wards have continued not to segregate waste correctly.

As reported to the audit committee, we understand that the Trust has made a number of improvements since our review including an updated e-learning package and regular waste monitoring on wards via infection control spot checks, which are centrally recorded.

Duty of candour follow-up

Despite implementing a number of process improvements and a robust DoC policy, the Trust continues not to fully comply with CQC Regulation 20, specifically regarding appropriate documentation of communication with patients and family in patient records. The embedding of the Trust DoC processes established to improve the recording of the required communication in patient records has been impacted by changes to processes and senior staff. The Trust should now focus on providing further awareness of these processes with all clinical staff. We have identified a number of proposals to help increase such awareness and therefore Trust compliance with CQC Regulation 20.

Other work

Data Security and Protection Toolkit (DSPT)

We undertook a review of the Trust's evidence to support the DSPT self-assessment. Our review has highlighted that existing governance arrangements for monitoring and agreeing the DSPT submission could be improved, as well as ensuring that there is sufficient evidence to support compliance with the mandatory requirements.

Follow-up of recommendations

In respect of the audits undertaken during the year, recommendations have been agreed with management to address gaps in control and assurance. The Trust, with the support of internal audit, has strengthened its processes for responding to recommendations during 2019/20. We have monitored the status of these recommendations alongside the Trust throughout the year, reporting direct to the audit committee on recommendations which remain outstanding.

Jenny McCall
Director of Audit and Assurance Services
ASW Assurance

Remuneration report

As an NHS trust, NDHT is required to follow the relevant national frameworks when remunerating staff, including the national NHS Terms and Conditions of Service (formerly known as "Agenda for Change") for the majority of our workforce, and the national NHS Medical and Dental Terms and Conditions of Service for medical and dental staff.

The Trust has a remuneration and terms of service committee which determines the remuneration and conditions of service of the chief executive, executive directors, other directors who report to the chief executive and any staff not on the national terms and conditions of service. This committee is a sub-committee of the Trust Board and has delegated powers.

Membership comprises the Trust chairman and non-executive directors, with the chief executive and director of people in attendance, except where their own pay award is being discussed.

The committee ensures the organisation complies with current statutory and NHS requirements, including any guidance issued by NHS England and NHS Improvement on pay for very senior managers. The committee is vigilant to ensure that its decision-making is consistent when determining remuneration for NHS executive and director posts. Committee members ensure value for money and that they meet their statutory obligation to ensure decisions on remuneration match the economic climate.

Non-executive Board members are appointed by NHS England and NHS Improvement in accordance with the Cabinet Office's Governance Code on Public Appointments. They receive remuneration in line with national rates set by the Secretary of State for Health and Social Care.

Introduction

Section 243B and Schedule 7A of the Companies Act, as interpreted for the public sector, requires NHS bodies to prepare a remuneration report containing information about directors' remuneration. In the NHS, the report will be in respect of the senior managers of the NHS body. The definition of a senior manager is:

'Those persons in senior positions having authority or responsibility for direction or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.'

For the purposes of this report, this covers the Trust's non-executive directors, associate non-executive directors, executive directors and associate directors.

Signed _____
Chief Executive

Date: 4 June 2020

A) Remuneration

2019/20

Name and title	(a) Salary (bands of £5,000) attributable to NDHT	Total salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500) attributable to NHDT	(f) TOTAL attributable to NDHT
A Hibbard – director of finance, performance and facilities	130-135	130-135	0			40-42.5	170-175
D Allcorn – chief nurse	125-130	125-130	700			0-0.25	125-130
I Roy – director of facilities (3)	35-40	35-40	200				35-40
A Ibbs – executive director of strategic development (4)	85-90	85-90	0				85-90
T Douglas-Riley	5-10	5-10	400				5-10
P Geen	5-10	5-10	200				5-10
R Down	5-10	5-10	100				5-10
T Neal	5-10	5-10	200				5-10
K Orford (5)	5-10	5-10	300				5-10
Collaberative agreement – salary bands							
P Adey – chief operating officer	75-80	150-155	–			52.5-55	130-135
J Cooper – interim director of people (1)	35-40	75-80	–			–	35-40
H Foster – director of people (2)	45-50	90-95	–			–	45-50
A Harris – interim medical director	100-105	205-210	–			–	100-105
S Tracey – chief executive	105-110	215-220	–			20-22.5	130-135
James Brent – chair	20-25	45-50	–			–	20-25

(1) The interim director of people left on 2 August 2019 as a joint appointment with the Royal Devon and Exeter NHS Foundation Trust.
(2) The director of people joined on 5 August 2019 as a joint appointment with the Royal Devon and Exeter NHS Foundation Trust.
(3) The director of facilities left on 31 August 2019.
(4) The executive director of strategic development left on 11 June 2019.
(5) The non-executive director commenced on 1 April 2019.

B) Pension benefits

	2019/20								2018/19							
Name and title	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2020	Lump sum at age 60 related to accrued pension at 31 March 2020	Cash equivalent transfer value at 31 March 2020	Cash equivalent transfer value at 31 March 2019	Real increase in cash equivalent transfer value	Employers Contribution to Stakeholder Pension	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2018	Lump sum at age 60 related to accrued pension at 31 March 2018	Cash equivalent Ttransfer value at 31 March 2018	Cash equivalent transfer value at 31 March 2017	Real increase in cash equivalent transfer value	Employers contribution to stakeholder pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	To nearest £100	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	To nearest £100
A Hibbard – director of finance, performance and facilities	2.5-5	0-2.5	25-30	45-50	374	326	22	0	5-7.5	7.5-10	20-25	40-45	326	213	84	0
D Allcorn – acting associate director of organisational development	0-2.5	0-0	40-45	85-90	671	638	0	0	0-2.5	0-2.5	35-40	90-95	638	514	90	0
I Roy – director of facilities	–	–	–	–	–	–	–	–	0-2.5	2.5-5	45-50	135-140	1,080	937	98	0
A Ibbs – director of operations and strategy	–	–	–	–	–	–	–	–	2.5-5	2.5-5	45-50	115-120	964	780	142	0
P Adey – chief operating officer	5-7.5	7.5-10	60-65	155-160	1,298	1,136	135	0	5-7.5	5-7.5	55-60	140-145	1,136	914	194	0
J Cooper – executive director of people								0	–	–	–	–	–	–	–	0
H Foster – executive director of people																
A Harris – executive medical director	0-2.5	0-2.5	60-65	190-195	1,494	1,513		0	5-7.5	20-22.5	65-70	195-200	1,513	1,194	284	0
S Tracey – chief executive	2.5-5	0-2.5	45-50	95-100	902	821	61	0	2.5-5	0-2.5	45-50	95-100	821	669	131	0

Notes:

(1) As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

(2) A Cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004/5 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

(3) Real Increase in CETV – This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

(4) The Trust pension values are recorded using Consumer Price Index (CPI) rather than Retail Price Index (RPI) in previous years.

(5) For directors employed during the year prior year figures not available.

C) Fair pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Northern Devon Healthcare NHS Trust in the financial year 2019/20 was £130,000-135,000 (2018/19 was £125,000-£130,0000). This was 4.5 (2018/19, 4.5) times the median remuneration of the workforce which was £30,100 (2018/19, £28,900).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer values of pensions.

In 2019/20, 33 (2018/19, 55) employees received remuneration in excess of the highest paid director. Remuneration ranged from £16,000 – £242,000 (2017/18 £15,000 – £248,000).

D) Non-executive directors

The dates of contracts and unexpired terms of office for the non-executive directors (NEDs) are as follows:

Name	Appointment start date	Appointment end date
James Brent (chair)	01.07.18	30.06.21
Pauline Geen^ (NED)	03.03.11	02.03.21
Tim Douglas-Riley (NED)	28.05.13	27.05.21
Robert Down (NED)	09.02.15	08.02.21
Tony Neal* (NED)	05.01.16	04.01.20
Kevin Orford^ (NED)	01.04.19	31.03.21

^ Audit committee chair
* Audit committee member

Non-executive directors are paid an allowance for their work on the Board and do not hold a contract of employment with the Trust. There is no period of notice required for non-executive directors and their appointment is organised by NHS Improvement.

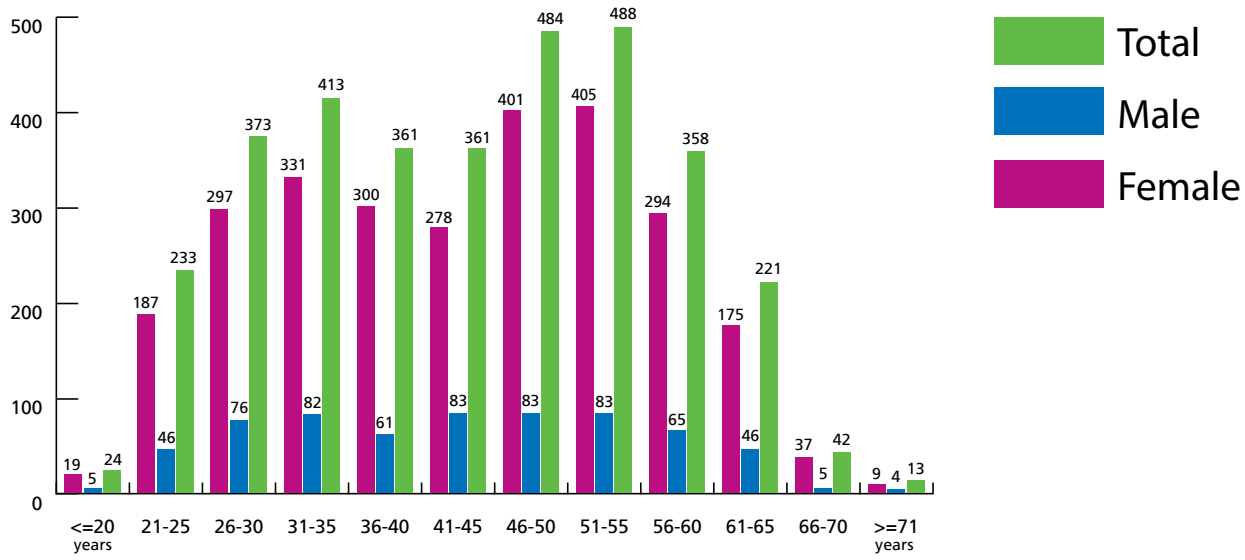
E) Executive directors

Name	Position	Contract type	Start date	Employment status
Angela Hibbard	Director of finance, performance and facilities	Permanent	19.03.18	
Iain Roy	Director of facilities	Permanent	19.04.09	Left 31.08.19
Darryn Allcorn	Chief nurse	Permanent	11.02.15	
Andy Ibbs	Director of operations and strategy	Permanent	01.10.12	Left 11.06.19
Suzanne Tracey	Chief executive	Under collaborative agreement	18.06.18	
Peter Adey	Chief operating officer	Under collaborative agreement	13.08.18	
Prof Adrian Harris	Medical director	Under collaborative agreement	29.06.18	
Julie Cooper	Interim director of people	Under collaborative agreement	27.08.18	Left 04.08.19
Hannah Foster	Director of people	Under collaborative agreement	05.08.19	

Staff report

At the end of 2019/20, Northern Devon Healthcare NHS Trust employed 3392 staff.

Workforce by gender and age



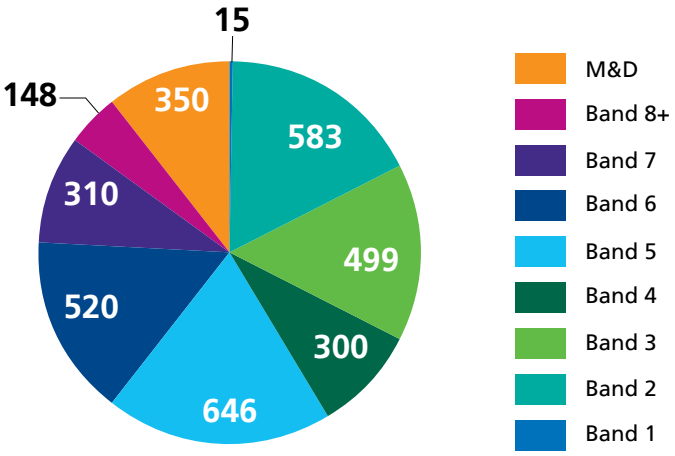
The gender split of our workforce is roughly 81% female and 19% male. This is similar to the NHS population as a whole, which is 77% female and 23% male, although this is significantly different to the general population (2001 census identified 48% of working age population as female).

When compared to the rest of the NHS workforce, NDHT employs lower numbers of staff within age bands 25-29, 30-34, 35-39 and 40-44 and in contrast we employ higher numbers of staff within the 45-49, 50-54, 55-59, 60-64 and 65+ age bands. This distribution is reflective of the age profile of Devon as a region.

The Trust continues to offer a comprehensive apprenticeship programme as a route into healthcare. Although open to all, such apprenticeships remain popular to candidates from a younger age group. We have also seen staff under the age of 20 progressing to band 3 positions which is a positive development for the younger workforce.

Equality and diversity are at the heart of our Trust values and we recognise that supporting and developing a diverse workforce enables us to continue to build on high standards of patient care. A variety of flexible working options are open to all our staff to support their lives outside of work.

Workforce by pay band



The workforce and organisation development directorate continues to work collaboratively to support all departments at the Trust, offering operational advice and training on deaf/deaf-blind communication awareness, disability equality, equality impact assessment, human rights and learning disability awareness.

Our annual equality and diversity and Workforce Race Equality Standard reports are available on the Trust website www.northdevonhealth.nhs.net

Staff costs and numbers

In line with the HM Treasury requirements, some previous accounts disclosures relating to staff costs are now required to be included in the staff report section of the annual report instead. The following tables link to data contained in the TAC and are included here for ease of formatting for the annual report.

Staff costs

	Permanent £000	Other £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	103,930	0	**103,930**	95,939
Social security costs	10,245	0	**10,245**	9,636
Apprenticeship levy	546	0	**546**	468
Employer's contributions to NHS pensions	18,358	0	**18,358**	11,915
Pension cost – other	46	0	**46**	24
Other post employment benefits	25	0	**25**	49
Other employment benefits	0	0	**0**	0
Termination benefits	0	0	**0**	0
Temporary staff	0	16,023	**16,023**	15,565
Total gross staff costs	**133,150**	**16,023**	**149,173**	**133,596**
Recoveries in respect of seconded staff	0	0	**0**	0
Total staff costs	**133,150**	**16,023**	**149,173**	**133,596**
Of which				
Costs capitalised as part of assets	31	82	**113**	675

Average number of employees (WTE basis)

	Permanent Number	Other Number	2019/20 Total Number	2018/19 Total Number
Medical and dental	315	15	**330**	314
Ambulance staff	10	0	**10**	9
Administration and estates	344	29	**373**	440
Healthcare assistants and other support staff	1,018	87	**1,105**	921
Nursing, midwifery and health visiting staff	736	66	**802**	828
Nursing, midwifery and health visiting learners	0	0	**0**	0
Scientific, therapeutic and technical staff	336	10	**346**	336
Healthcare science staff	64	0	**64**	64
Social care staff	0	0	**0**	0
Other	0	0	**0**	0
Total average numbers	**2,823**	**207**	**3,030**	**2,912**
Of which				
Number of employees (WTE) engaged on capital projects	6	9	**15**	18

Reporting of compensation schemes – exit packages 2019/20

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	0	8	**8**
£10,000 – £25,000	0	2	**2**
£25,001 – 50,000	0	0	**0**
£50,001 – £100,000	0	1	**1**
£100,001 – £150,000	0	0	**0**
£150,001 – £200,000	0	0	**0**
>£200,000	0	0	**0**
Total number of exit packages by type	**0**	**11**	**13**
Total cost (£)	0	£139,000	**£139,000**

Reporting of compensation schemes – exit packages 2018/19

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	0	8	**8**
£10,000 – £25,000	0	2	**2**
£25,001 – 50,000	0	2	**2**
£50,001 – £100,000	0	0	**0**
£100,001 – £150,000	0	1	**1**
£150,001 – £200,000	0	0	**0**
>£200,000	0	0	**0**
Total number of exit packages by type	**0**	**13**	**13**
Total cost (£)	£0	£265,000	**£265,000**

Exit packages: other (non-compulsory) departure payments

	2019/20		2018/19	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	6	100
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	11	139	7	165
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	11	139	13	265
Of which				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

All exit packages have been paid in accordance with contractual terms.

Gender equality

From 2017, any organisation with 250 or more employees must publish and report specific gender pay gap information under the Equality Act 2010 (specific duties and Public Authorities Regulations).

The gender pay gap is the difference between the average earnings of men and women expressed relative to mean earnings and shows;

- The difference between the mean hourly rate of pay for male and female employees
- The difference between the median hourly rate of pay for male and female employees
- The difference between the mean bonus pay for male and female employees
- The difference between the median bonus pay for male and female employees
- The proportions of male and female employees who were paid a bonus
- The proportions of male and female employees on the quartile pay bands (lower, lower middle, upper middle and upper)

Comparison with the previous year's data shows that our pay gap, using both the mean and median average indicators, has remained relatively stable.

Gender	Mean hourly pay March 2018	Mean hourly pay March 2019	Median hourly pay March 2018	Median hourly pay March 2019
Male	21.96	22.54	17.33	18.22
Female	15.12	15.67	13.93	14.06
Difference	6.84	6.86	3.40	4.16
Pay gap %	**31.1%**	**30.4%**	**19.6%**	**22.8%**

Our workforce is predominantly female, with almost four times the number of women in our workforce as men, and this means we have by default a high number of women working in the lower paid roles positioning our median pay for women at a lower rate. We continue to work proactively to reduce our gender pay gap.

Proportions of male and female employees in the four quartile pay bands

Quantile	Gender	% 2018/19	% 2019/20
Upper	Male	34.4%	**13.7%**
	Female	65.6%	**86.3%**
Upper middle	Male	13.6%	**13.7%**
	Female	88.4%	**86.3%**
Lower middle	Male	12.8%	**16.1%**
	Female	87.2%	**83.9%**
Lower	Male	12.2%	**35.3%**
	Female	87.8%	**64.7%**

The gender pay gap data relating to bonus pay relates to the distribution of clinical excellence awards for consultants.

Although female and male representation at consultant level has remained stable from the previous year, the lower level of female consultants receiving bonus pay affects these figures.

Bonus paid (annual)

Gender	Mean March 2018	Mean March 2019	Median March 2018	Median March 2019
Male	888.50	898.82	754.00	754.00
Female	618.11	613.95	502.67	473.79
Difference	270.39	284.87	251.33	280.21
Pay Gap %	**30.4%**	**31.7%**	**33.3%**	**37.2%**

No of employees paid bonus

Gender	% 2018/29	% 2019/20
Male	6.8%	6.9%
Female	0.6%	0.7%

Sickness absence

Our sickness absence level has remained relatively static, with a 12 month rolling average rate of 3.69%, slightly above our target of 3.5%. However, this was impacted by Covid-19 for the last period of the year and will see a deterioration as we go into 2020/21.

Staff absence data can be found on the NHS Digital publication series website https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

The Trust continues to proactively manage and support staff to attend work working jointly with staff side colleagues to promote a healthy working environment. Together with staff side, the Trust has continued to plan, implement and monitor the success of a comprehensive range of wellbeing initiatives, designed to provide staff with the support they need to actively manage their own health and wellbeing.

Disability

The Equality Act 2010 defines disability and makes it clear that a person is disabled if they have a physical or mental impairment that has a substantial and long-term negative effect on their ability to do normal daily activities. The Trust Board keeps our approach to equality and diversity under regular review and endorses a variety of positive actions to support both existing staff and applicants wishing to join the Trust.

The Trust made a public commitment through the development of the equality and diversity strategy to plan to meet the needs and wishes of staff and local people. This strategy sets out how the Trust recognises the differences between people, and how the Trust aims to make sure that (as far as possible) any gaps and inequalities are identified and addressed. Embedding equality and diversity in everything the Trust does will improve conditions for all staff and, ultimately, their patients.

The Board further committed to creating an inclusive environment for both staff and patients and are currently exploring plans to determine how this inclusive ambition can be achieved.

The director of people is responsible for ensuring that the Trust complies with equality law and any relevant NHS standards for the promotion of and assessment of equality. This reflects the importance placed by the Trust on the proper and equitable treatment of all applicants, workers and service users regardless of disability.

All staff are required to undertake equality and diversity training and as at the end of March 2019/20, the Trust was at 93.4% compliance, raising awareness of personal and Trust responsibilities to those with protected characteristics including disability. Subject specific training is also provided on other relevant issues, for example, learning disability awareness.

NDHT is a signatory of the mindful employer charter. This means that the Trust has signed up to positively supporting employees with mental health problems. We have also signed the Time to Change employer pledge, a commitment to all staff to change how we think and act about mental health at every level of this organisation.

Recruitment

The recruitment and selection policy is designed to ensure that recruitment is carried out in accordance with the Equality Act 2010. Its aim is to ensure that applicants feel that they have been dealt with professionally, fairly and that they feel that the Trust values its staff.

The Trust is accredited by Jobcentre Plus to use the 'Disability Confident Employer' symbol. This means the Trust will:

- Interview all applicants with a disability who meet the minimum criteria for a position and consider them on their abilities
- Consult with employees with a disability about how the Trust can help develop their abilities
- Make every effort when employees acquire a disability to make sure they stay in employment
- Take action to ensure that all employees develop sufficient awareness of disability to make these commitments work
- Review these commitments and plan on ways to improve them.

All applicants for employment with the Trust complete a health questionnaire that is reviewed by the occupational health service (OHS), if required, as part of the recruitment process.

If issues are identified, the individual will be invited to attend the OHS where an assessment is completed and recommendations made so that whenever possible the person may be employed safely. Experts from both the occupational health service and human resources are available to provide reasonable adjustment advice and guidance to managers during and after the recruitment process.

Staff who become disabled

Whenever possible the Trust supports staff to either prevent or minimise the impact of any disability on the ability to work. Early referrals to the occupational health service are encouraged so that action can be taken to aid rehabilitation and return to work following illness or injury, making any reasonable adjustments that can assist.

The Trust will make reasonable adjustments to support existing staff who become disabled and these adjustments will be reviewed in response to the changing needs of the individual. These adjustments may apply to a physical feature or working arrangements, which would cause a substantial disadvantage to a disabled person compared to a non-disabled person.

The management of work related stress policy is supported by a library of leaflets, assessment templates and external links to help managers have a positive impact on the health and wellbeing of employees.

Staff survey results

The National NHS Staff Survey 2019 questionnaires were sent to 3,201 members of staff, with 1,776 questionnaires returned, yielding a response rate of 55.5%. This was a significant improvement on the previous year's response rate of 37.6%.

Our overall Staff Engagement score remains strong in 2019 at 7.43, a 1.9% increase on the 2018 score of 7.29.

Our top 5 results were:

- Experienced physical violence at work from managers in the last 12 months – 0%
- Experienced physical violence at work from other colleagues in the last 12 months – 1%
- The last time you saw an error, near miss or incident that could have hurt staff or patients / service users, did you or a colleague report it? – 98% said yes
- If you were concerned about unsafe clinical practice, would you know how to report it? – 96% said yes
- Experienced discrimination at work from patients / service users, their relatives or other members of the public in the last 12 months – 4%

Satisfaction with pay has increased again in 2019 to 43% – a 7.5% improvement. Although this still remains low, it is above the sector average for acute and community trusts. 63% of staff have said that feedback from patients/ service users is used to make informed decisions within their directorate/ department – an 8.6% increase on last year – and 68.4% of staff said they receive regular updates on patient/service user experience feedback in their directorate/department – a 5.2% increase on 2018.

Overall 93% of staff responded positively that the organisation takes positive action on health and wellbeing; this has increased by 2% since last year and is 2% higher than the sector average.

The amount of staff putting themselves under pressure to come to work has risen further in 2019 to 95%, compared with 93% in 2018 – a 2% rise.

However there have been decreases in staff feeling pressure from colleagues (1% decrease) and managers (2% decrease) to come to work.

38% of staff report feeling unwell due to work related stress in the last 12 months, a 3% decrease since 2018.

Just over half of staff said they had come to work in the last three months, despite not feeling well enough to perform their duties, however this is 3% lower than our sector score.

84.4% of staff have been appraised in the last 12 months, a 2% decline since 2018 and 4% lower than average. Of those staff reporting to have received an appraisal, 82% of staff said that their appraisal left them feeling like their work is valued by the organisation, a 4% increase from 2018.

Results for senior management communication have seen some improvements in 2019:

- 48% of staff saying that communication between senior management and staff is effective (6% increase from 2018)
- 40% of staff saying senior managers try to involve staff in important decisions (a 4% increase from 2018)
- 38% of staff saying senior managers act on staff feedback (a 6% increase from 2018).

Feedback on immediate managers was positive, with 79.5% of staff saying their immediate manager can be counted on to help them with a difficult task at work (a 6% increase on 2018) and 82% of staff saying their immediate manager is supportive in a personal crisis (a 1% increase on 2018).

Staff health and wellbeing

NDHT is committed to providing access to health and wellbeing support to our workforce as we recognise the impact positive health and wellbeing has on patient care. The support available for our staff includes:

- In-house occupational health (OH) service – OH physician, OH nurse, OH counsellor and physiotherapist
- 24/7 telephone support line which also offers online support tools and telephone counselling sessions via an Employee Assistance Programme (EAP)
- Intranet signposting to internal and external local support services
- Access to mental health first aid support from our network of over 50 trained colleagues
- Annual flu vaccination programme for all staff
- Regular supervision and appraisal
- Internal and external training courses
- Human resource specialists

Alongside the above there are lifestyle classes such as yoga, pilates, circuits and fitness available at the main hospital in Barnstaple for staff at a reduced cost. There is also limited but free access to an on-site outpatient gym.

The Trust has a growing network of staff health and wellbeing champions, who advocate healthy lifestyle choices, promote the importance of health and wellbeing and encourage their colleagues to maintain a work life balance. They also help the Trust to promote national health campaigns such as World Mental Health Day and Dry January, as well as promoting classes and events.

The Trust has introduced a new set of guidelines to support colleagues during the different phases of their Menopause and has provided expert talks and a monthly café where staff can seek peer support. Referral to occupational health is also available to help facilitate work adjustments if needed and where possible.

Throughout the year the Trust has been seeking colleague responses to a health needs questionnaire to enable us to develop further support tailored to staff need. Ideas for future support include: staff only on-site gym, improved access to healthy food, dedicated staff rest areas and relaxation sessions.

Organisational change and employee consultations

2019/20 has been a period of consolidation following the Trust entering into a collaborative agreement with the RD&E in June 2018. The HR team has supported 13 organisational change programmes covering around 400 staff. These have predominantly been internal change programmes to facilitate increased efficiency and effectiveness.

Employment advice and employee relations

To supplement the HR advice line, the Trust introduced an HR help email service. This enables staff and managers to submit queries by email rather than having to ring the advice line. Both services continue to be well used. The most popular subject areas are queries relating to sickness absence, queries pertaining to annual leave or special leave, contractual queries and questions about maternity/family leave. From these enquiries the team has developed a number of frequently asked questions (FAQ) fact sheets which are published in the HR pages on BOB, the Trust intranet site.

The team has supported the management of around 200 formal employee relations cases. There were 111 sickness absence management cases, 22 performance management cases, 38 disciplinary investigations, 16 grievances and 6 bullying and harassment investigations. The HR team has also been key in the continued refinement and application of compliance processes. These are designed to assist in ensuring compliance with a number a number of processes including the DBS Subscription Service, completion of the Care Certificate, completion of mandatory training and compliance with the car parking policy. The number of these cases continues to increase. Other cases supported during this period included complex flexible working requests, contractual issues and complex individual redeployment work.

The team has continued to build on and develop further strong partnership working with Staffside and trade union colleagues to ensure that staff are appropriately consulted, developed and supported in the workplace. A number of formal committees/forums are in place to support this partnership working including the workforce governance committee, partnership forum, and pay and reward group. Staffside and HR also provide representation and input in to the STP partnership forum on a six-weekly basis.

Recruitment and retention

The national picture remains challenging in terms of recruitment to a number of clinical professional roles. The Trust has had a strong focus in 2019/20 on the recruitment of registered nurses from overseas. Through successful partnerships with Yeovil NHS Foundation Trust and CPL, the Trust has recruited 46 overseas registered nurses (primarily from the Philippines). The nurses are integrating extremely well into the Trust. Around 50% of these recruits have now gained their NMC registration and can work as full registered nurses. The others are progressing well towards achieving their registration. The Trust has been proactive in supporting and reassuring our EU staff, actively encouraging them to apply for "settled status" in the UK.

Following the success of the partnership with Yeovil in recruiting nurses from overseas, we are exploring with them opportunities to recruit to other clinical posts where we have shortages such as radiographers, physiotherapists and occupational therapists. The Trust continues to work in partnership with Remedium to recruit overseas doctors to substantive posts in the organisation. We are exploring other partnership arrangements to further support recruitment to medical and dental posts.

The Trust ran a successful nursing open day in July 2019 leading to 14 offers of employment being made. The Trust is continuing to build on our strong partnerships with Petroc College and the University of Bolton to train nursing associates. The first cohort qualified and entered the Trust as nursing associates in January 2019.

The Staff Bank (nursing and administrative) has continued to expand and develop. New appointees to substantive posts are also set up with a bank assignment so that they can opt to undertake bank shifts if they wish, without having to separately apply for and be set up on the bank. Staff who are retiring can opt to remain on the bank with minimal bureaucracy. The bank team also run regular recruitment events for individuals who want the flexibility of working on an "as and when" basis. The number of workers on the bank with a "bank only" contract has continued to rise.

Since the launch of our medical and dental (M&D) /allied health professional (AHP) bank in 2017, we continue to offer all junior doctors and AHPs the opportunity to join the bank in order to enable them to pick up ad-hoc locum shifts at the Trust. Shifts are offered out to all suitable bank workers through an electronic booking system which ensures equity of access to bank shifts, weekly e-timesheets and improved visibility of both bank and agency work being undertaken by medical and dental and AHP staff within the Trust. The bank contract includes the ability for our bank workers to work as part of the Devon STP M&D/ AHP collaborative bank and we continue to work with our STP colleagues to ensure that bank workers who are recruited by one trust are then able to seamlessly work at other local trusts to reduce the reliance on agency workers across the Devon STP area.

The team has introduced two workforce business partner roles and restructured the management of the recruitment and resourcing function to establish an employee sourcing and attraction manager post. This will enable us to increase our focus on strategies and campaigns to recruit to hard to fill roles as well as developing new roles to support the work in areas where there continue to be national shortages.

As well as maintaining strong recruitment programmes, the Trust also continued to keep a focus on retention. The overall Trust turnover rate is around the target rate of 10%. However, the rate varies for different professional groups. The turnover rate for the nursing and midwifery staff group is 12% which is higher than we would wish and therefore this a staff group we continue to focus on in terms of retention action plans.

The Trust has continued to participate in the retention direct support programme, an initiative designed to help us track and understand how our turnover performance is changing over time and help to monitor the impact of our retention plan. Regular updates enable the Trust to access comparative data between trusts in our cohort of the programme and those in our STP.

Electronic rostering (e-rostering)

The Trust has long recognised the value of its workforce and its commitment to supporting staff to provide high quality patient care. Whilst acknowledging the need to balance the effective provision of service with supporting staff to achieve an appropriate work life balance, it is recognised that we need to be able respond to changing service requirements. A flexible, efficient and robust e-rostering system is vital to achieving this objective.

Implementation of e-rostering at the Trust started in 2010 with inpatient nursing and midwifery staff. Since then we have continued to roll out to staff across all workforce groups and 95% of staff are now using HealthRoster, with work in progress to get the remaining 5% of staff on the system in 2020.

The Trust is recognised as one of the leading trusts in the South West Region for e-rostering, and for medical staff rostering we are one of the leading trusts at a national level.

Workforce development

Through the Trust's professional in-house training team, continued investment has been made in developing the knowledge and skills of our workforce. In 2019/20 the team supported 564 new joiners, including bank staff, to the organisation through our corporate induction programme, ensuring our staff had the necessary information and training before they started in their place of work.

At February 2020 the Trust's overall statutory and mandatory training compliance stood at 88.1% exceeding the Trust's 85% target once again. The final reported position at the end of the year is not available to report due to Covid-19 pressures. During the year the team has worked with the Trust's subject matter experts to map individual training requirements to positions. The team has also worked on making our offerings more easily accessible to busy clinical staff.

The Trust recognises that investment in leadership development is paramount in delivering better patient outcomes. From the six day new managers' programme, through to masters level courses, the team aims to ensure that the Trust's managers have the necessary skills and behavioural attributes to become our future leaders. As an accredited ILM centre, the Trust is able to offer managers nationally recognised qualifications at either Level 3 or Level 5 and have a high success rate. Last year the Trust was able to support six staff in achieving a Level 3 and 11 staff in achieving a Level 5 Certificate in Leadership and Management.

The Trust also encourages staff to access academic courses run through the NHS National Leadership Academy and a range of master classes provided by the South West Leadership Academy. In the last year, 15 managers have embarked upon a postgraduate certificate or masters in healthcare leadership. The Trust was also pleased to be accepted as a pilot site for the coaching skills for leaders programme offered through the South West Leadership Academy and as a result the Trust will be running an in-house coaching programme during the next financial year.

Whilst the Trust is proud of our in-house provision, it is also recognised that staff need to attend specialist training in their own fields of work to keep up with latest thinking and innovation. With this in mind, the Trust invests significantly in supporting staff to attend external learning and development events including conferences, academic programmes and specialist courses. In 2019/20 over a quarter of our workforce have been supported to attend one or more events.

Apprenticeships

Since the government introduced the apprenticeship Levy in April 2017, the Trust has been working hard to achieve the public sector target of 2.3% of the workforce being either employed as an apprentice or undertaking an apprenticeship programme.

During the 2019/20 period, the Trust was able to support 78 staff, approximately 2.2% of the workforce, through an apprenticeship programme. This included enrolling 17 staff on a Level 7 MSc Advanced Clinical Practice apprenticeship.

During 2019/20 the Trust commissioned the following programmes and committed to £657,341 total completion cost, this has provided an annual spend of £308,192.

Programmes	No. of apprentices	Cost £
Business & admin Level 2 & 3	10	21,500
Operational manager Level 5	2	15,840
Healthcare clinical support worker Level 2 & 3	17	63,100
Mammography assistant practitioner	2	10,000
Trainee assistant practitioner Level 5	11	132,000
Student nurse associate Level 5	16	240,000
Healthcare science practitioner Level 6	3	81,000
MSc in advanced clinical practice Level 7	15	112,001
Total	**76**	**657,441**

Whilst this year the Trust has mainly concentrated on clinical apprenticeships, next year the aim is to widen the scope to include apprenticeships across all staff groups including leadership and management development.

Project SEARCH

Project SEARCH is a joint project between Petroc College, NDHT and Pluss, and is based at North Devon District Hospital (NDDH). The innovative project aims to support young people with a learning disability or autism into the world of work.

In 2019/20 10 students with learning disabilities joined our cohort. Unfortunately 2 left within the first few weeks and are now continuing with their education at Petroc College. The remaining students were making excellent progress throughout the year. Unfortunately due to Covid-19 the programme was paused in March 2020.

As a Trust we are striving to host one student in each and every department.

Health and care academy/ work experience

26 students took part in work placement programmes as part of our health and care, and medics academies.

27 school children from year 10 took part in our experiential work experience week supported by various departments across the Trust. For people over the age of 16 the team organised 79 work shadowing days to provide them with an insight into the NHS relating to their specific area of interest.

During 2019/20 the Trust has been working in collaboration with Petroc College to set up the IT and Business Academy in readiness for the T Levels. Two pilot groups started in February 2020 and we will continue to monitor this progress.

Other disclosures

Emergency preparedness, resilience and response

The Civil Contingencies Act

The Civil Contingencies Act (2004) ensures that the United Kingdom is prepared to deal with major disruptive challenges and emergencies, however they might occur.

Under the act, the Trust is classed as a category one responder and has the following key responsibilities:

- To assess the risks of an emergency occurring and use this information to inform contingency planning
- To put emergency plans in place
- To have business continuity arrangements in place
- To put in place arrangements to make information available to the public and maintain arrangements to warn, inform and advise the public in the event of an emergency
- To share information with other local responders to enhance coordination
- To cooperate with other local responders to enhance coordination and efficiency

The Trust's chief operating officer has the overall strategic responsibility for emergency preparedness, resilience and response (EPRR) across the Trust, and for providing assurance to the Trust Board that the organisation is meeting its statutory and legal requirements. The organisation has a full time EPRR officer and a non-executive director with EPRR in their portfolio.

NHS core standards

NHS England's core standards for emergency preparedness, resilience and response are the minimum standards which NHS organisations and providers of NHS-funded care must meet to comply with the requirements of NHS England's planning framework, the NHS Contract and the Civil Contingencies Act 2004.

The Trust undertook a self-assessment against the named core standards in September 2019 and of the 64 applicable standards, the Trust identified as being:

- Fully compliant with 60 of the standards (green)
- Partially compliant with four of the standards (amber)
- Non-compliant with zero of the standards (red).

Business continuity

Throughout 2019/20 to prepare for EU exit the organisation strengthened and updated its business continuity processes, policy and Trust-wide plan. All services and departments categorised as critical (24/7 services) reviewed, updated and tested their business continuity plans to ensure they were aware of how to respond to any disruption.

Incident response plan

The Trust's incident response plan sets out how it will respond to a major incident, critical incident, business continuity incident or an emergency which requires the involvement of one or more healthcare organisations.

The Trust's plan fully complies with national guidance for emergency preparedness, resilience and response and has been reviewed and updated.

In March 2019 the Trust entered into a major incident response as a result of the coronavirus pandemic.

Fraud policies and procedures

The Trust has a clear strategy for tackling fraud, corruption and bribery. This is documented in the counter-fraud policy, which details responsibilities and how to report suspicions of fraud, bribery or corruption.

The Trust has a lead accredited local counter fraud specialist (LCFS) via consortium arrangements with ASW Assurance. Further support is available, as required, from other LCFSes from within the consortium. The LCFS ensures risks are mitigated and systems are resilient to fraud and corruption. An annual counter-fraud work plan is approved by the audit committee.

The director of finance, performance and facilities and the audit committee oversee the work of the LCFS. Reports on progress with delivery, together with details of referrals received and investigations are provided to the audit committee. The LCFS also highlights to committee any issues that have arisen so that appropriate action can be taken.

The programme of counter-fraud work was delivered in 2019/20, addressing all strategic areas of the national counter-fraud strategy, as issued by the NHS Counter Fraud Authority. The LCFS has developed and maintains key relationships across the Trust and this, coupled with the work undertaken by the LCFS, has resulted in the development of an anti-fraud culture within the Trust.

Disclosure of personal data related incidents

In accordance with NHS Digital, supported by the Department of Health (DH), the Information Commissioner's Office (ICO), the Care Quality Commission (CQC), NHS England and the Information Governance Alliance (IGA), the Trust is required to publicly report all information governance and cyber security serious incidents requiring investigation (SIRIs) which are assessed as meeting level two.

For the 2019/20 financial year, the Trust reported:

Zero information governance SIRIs.

Zero cyber security SIRIs.

Health and safety

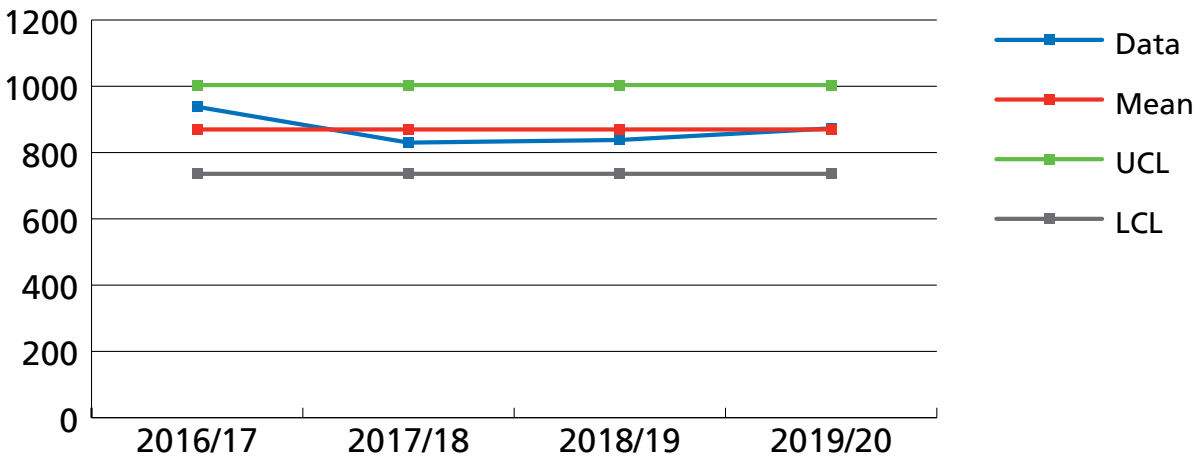
Over the last financial year, the Trust has had the following focus in relation to the health and safety agenda:

Receiving and responding to staff incident reporting

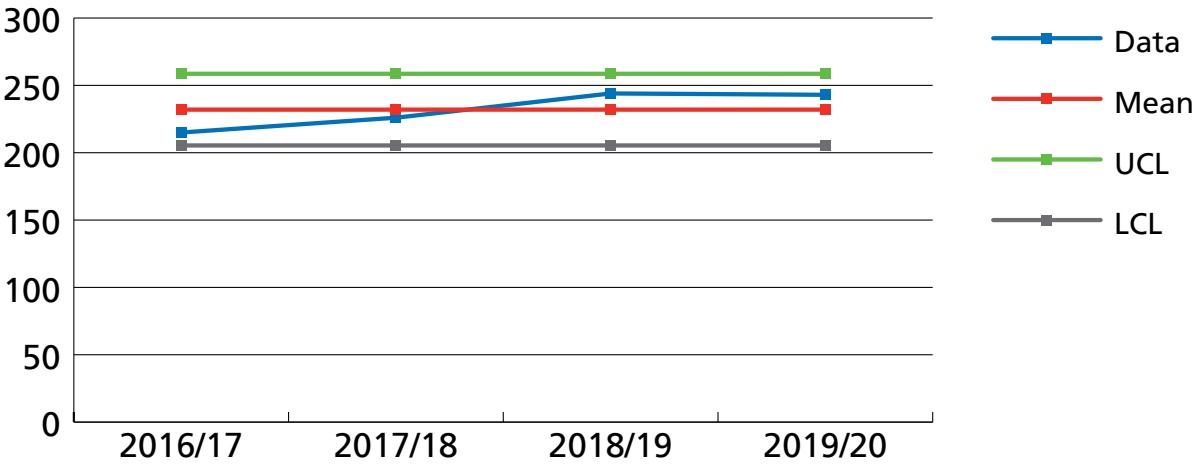
Incidents relating to health and safety are presented in quarterly incident reports to the health and safety group. Matters that require further attention are escalated to the safety and risk committee.

The following tables present the total number of patient, staff accidents and violence and aggression incidents by financial year.

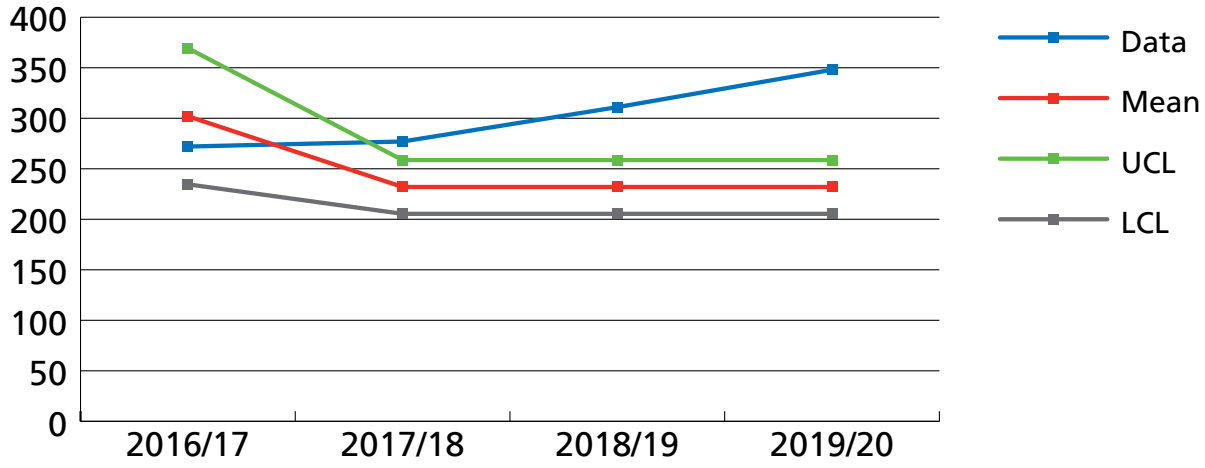
Patient accidents by reported financial year



Staff accidents by reported financial year



Violence and aggression incidents by reported financial year



Breakaway and physical intervention training

During 2019/20, there were 129 incidents reported where one or more forms of restraint where used. Of these incidents, 114 were reported where clinical staff, security or police officers used physical restraint in the patient's best interest, for the safety of the patient and others.

In total 288 staff have received breakaway and physical intervention (restraint) training. Work will continue concerning review of training provision by a working group during 2020/21.

Chemical safety

In response to a national alert (EFA/2019/002 Ingestion of Cleaning Chemicals) policies and procedures were reviewed and updated concerning chemicals and the potential for patient harm. This work was completed in association with hotel services partnered organisation (Sodexo).

Community staff safety

In the community staff can visit up to 500 patients in their own home within a 24 hour period. At any one time, the community teams are overseeing around 6,000 people's care.

With the backing of union representatives, a business case was approved for additional control measures for community staff safety for the provision of lone worker safety devices. Training and support is ongoing whilst the additional safety devices are being issued. This work will continue during 2020/21.

Fire safety

The fire and security officer rationalised the fire policy and introduced a separate fire safety strategy document. Work underpins ongoing fire safety initiatives.

A risk assessment has been completed concerning items, furniture and equipment in circulation spaces, corridors or escape routes at NDDH. Work will continue during 2020/21 to progress the action plan implemented to manage the identified fire safety risks. Progress will be monitored and reviewed at the operational fire safety group with a summary provided to the health and safety group.

The Trust received a certificate of achievement from Devon and Somerset Fire and Rescue Service for 200 community home safety referrals. The partnership will continue to be promoted.

Hate crime

Guidelines on dealing with, reporting and accessing support following hate crimes have been published for staff. Information supports the 'respect us' campaign with reference to the NHS constitution and NHS worker rights to work in an environment free from harassment, bullying or violence.

Health and safety policy

Updates to the health and safety policy include amends to the chief executive's statement to reflect core values and principles of compassionate and inclusive leadership to achieve high quality and compassionate patient care.

Latex gloves

Followinf trials and evaluations, a number of services have successfully switched from the use of latex sterile surgeons gloves to latex free alternatives. Work will continue with further trials planned for other theatres to switch where feasible to latex free alternatives.

Missing patients

During 2019/20, 28 patients were reported as missing/ absconded. Based on outcome, it can be noted that all incidents reported have severity ratings of NONE or MINOR.

Table: Missing patient incidents by reported financial year

Financial year	2016/17	2017/18	2018/19	2019/20
Missing patients	31	52	27	28

Missing patient documentation and a procedural flowchart were approved for use by nursing staff. Guidance includes information that can be shared should a police concern for welfare check be required.

Moving and handling

A new bed for plus sized patients was purchased to ensure patient and staff safety (safe working load up to 454kgs). Replacement emergency department adjustable height trolleys were purchased, which enable patients to get on and off independently. Over 200 workplace assessments were performed by the back care advisor and junior ergonomist. Assessments ensure staff with pain or injuries work to their full potential with equipment and ergonomic assistive technologies.

RIDDOR regulations

Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), certain categories of incident are reported to the Health and Safety Executive. A total of 27 incidents were reported under RIDDOR.

Table: RIDDORs submitted to the HSE by reported financial year

Financial year	2016/17	2017/18	2018/19	2019/20
RIDDORs	31	31	22	27

Of the 27 RIDDOR incidents, four were reported further to patients suffering specified injuries due to slips trips and falls.

The top injury categories of RIDDOR incident affecting staff were:

- Slips trips and falls – 12
- Moving and handing – 7
- Physical assaults – 3

Of the physical assaults on staff, injuries included loss of consciousness and a fractured nose.

Staff being unable to work for more than seven days accounted for 59% of all RIDDORs submitted to the HSE.

Further to investigation, where lessons are learned, recommendations are made for appropriate actions to prevent future harm.

One patient death was reported to the HSE under the RIDDOR regulations. The death was escalated for further investigation, reported to the Clinical Commissioning Group (CCG) under the Strategic Executive Information System (StEIS) and is subject to HM Coroner inquest investigation. The death was reported under RIDDOR as a precaution due to potential equipment failure, although it is not clear to date whether this related to the cause of death.

Further work is planned concerning the use of patient fall sensor mats during 2020/21.

Violence and aggression

Investment was made to increase the number of security officers at night to two per shift on the acute site. This change was implemented from November 2019.

Use of body worn cameras by security officers is now the norm. Cameras record confrontational, threatening or violent events for the purposes of safety and security. Footage was used as evidence for the first time resulting in prosecution of an intoxicated male for Actual Bodily Harm (ABH).

CCTV has been enhanced with the installation of additional cameras in the emergency department and Ladywell (maternity and paediatrics) building.

Work will continue with stakeholders including the HSE, NHS Resolution, Devon Partnership NHS Trust, Police and Ambulance Services to address challenges faced providing mental health and wellbeing support in acute settings.

The search of persons and property standard operating procedure has been updated to include information concerning the potential for persons to carry concealed weapons.

Accounts

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance,
- value for money is achieved from the resources available to the trust,
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them,
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed ..... Chief Executive

Date ...4 June 2020.....

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury,
- make judgements and estimates which are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy.

By order of the Board

4 June 2020 . Date ..... Chief Executive

4 June 2020 . Date ..... Finance Director

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF NORTHERN DEVON HEALTHCARE NHS TRUST
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
Opinion

We have audited the financial statements of Northern Devon Healthcare NHS Trust ("the Trust") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.
In our opinion the financial statements:

· give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and

· have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information. In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2019/20. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 1, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on Page 1 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 1, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in December 2019 and updated in April 2020 as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Directors of Northern Devon Healthcare NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Northern Devon Healthcare NHS Trust for the year ended 31 March 2020 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

for and on behalf of KPMG LLP
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

05 June 2020

Statement of Comprehensive Income

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3	206,993	188,541
Other operating income	4	30,689	12,684
Operating expenses	7, 9	(234,083)	(214,937)
Operating surplus/(deficit) from continuing operations		**3,599**	**(13,712)**
Finance income	12	81	75
Finance expenses	13	(386)	(191)
PDC dividends payable		(1,543)	(1,669)
Net finance costs		**(1,848)**	**(1,785)**
Other gains / (losses)	14	33	2
Surplus / (deficit) for the year		**1,784**	**(15,495)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	52	(2)
Revaluations	19	1,091	947
Total comprehensive income / (expense) for the period		**2,927**	**(14,550)**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		1,784	(15,495)
Remove net impairments not scoring to the Departmental expenditure limit		(869)	(1,228)
Remove I&E impact of capital grants and donations		(879)	90
Adjusted financial performance surplus / (deficit)		**36**	**(16,633)**

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	16	7,911	8,583
Property, plant and equipment	17	74,396	69,997
Receivables	25	849	838
Total non-current assets		**83,156**	**79,418**
Current assets			
Inventories	24	3,169	2,788
Receivables	25	15,772	9,794
Cash and cash equivalents	28	3,949	5,346
Total current assets		**22,890**	**17,928**
Current liabilities			
Trade and other payables	29	(21,620)	(17,846)
Borrowings	31	(20,690)	(6,075)
Provisions	34	(20)	0
Other liabilities	30	(1,102)	(2,833)
Total current liabilities		**(43,432)**	**(26,754)**
Total assets less current liabilities		**62,614**	**70,592**
Non-current liabilities			
Borrowings	31	0	(12,526)
Provisions	34	(64)	(48)
Total non-current liabilities		**(64)**	**(12,574)**
Total assets employed		**62,550**	**58,018**
Financed by			
Public dividend capital		58,467	56,862
Revaluation reserve		9,635	8,507
Income and expenditure reserve		(5,552)	(7,351)
Total taxpayers' equity		**62,550**	**58,018**

The notes on pages 11 to 54 form part of these accounts.

Signed 

Name Suzanne Tracey
Position Chief Executive
Date 04 June 2020

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**56,862**	**8,507**	**(7,351)**	**58,018**
Surplus/(deficit) for the year	0	0	1,784	**1,784**
Impairments	0	52	0	**52**
Revaluations	0	1,091	0	**1,091**
Transfer to retained earnings on disposal of assets	0	(15)	15	**0**
Public dividend capital received	1,605	0	0	**1,605**
Taxpayers' and others' equity at 31 March 2020	**58,467**	**9,635**	**(5,552)**	**62,550**

Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**56,304**	**7,562**	**8,144**	**72,010**
Surplus/(deficit) for the year	0	0	(15,495)	**(15,495)**
Impairments	0	(2)	0	**(2)**
Revaluations	0	947	0	**947**
Public dividend capital received	558	0	0	**558**
Taxpayers' and others' equity at 31 March 2019	**56,862**	**8,507**	**(7,351)**	**58,018**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Other reserves
The Trust has no other reserves.

Merger reserve
This reserve reflects balances formed on merger of NHS bodies.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		3,599	(13,712)
Non-cash income and expense:			
Depreciation and amortisation	7.1	5,157	5,328
Net impairments	8	(869)	(1,228)
Income recognised in respect of capital donations	4	(1,135)	(168)
(Increase) / decrease in receivables and other assets		(6,293)	4,379
(Increase) / decrease in inventories		(381)	261
Increase / (decrease) in payables and other liabilities		1,618	2,795
Increase / (decrease) in provisions		36	19
Net cash flows from / (used in) operating activities		**1,732**	**(2,326)**
Cash flows from investing activities			
Interest received		81	75
Purchase of intangible assets		(372)	(821)
Purchase of PPE and investment property		(6,118)	(4,015)
Sales of PPE and investment property		34	2
Receipt of cash donations to purchase assets		1,180	168
Net cash flows from / (used in) investing activities		**(5,195)**	**(4,591)**
Cash flows from financing activities			
Public dividend capital received		1,605	558
Movement on loans from DHSC		2,800	10,274
Movement on other loans		(712)	(711)
Interest on loans		(385)	(122)
Other interest		(1)	(15)
PDC dividend (paid) / refunded		(1,241)	(1,772)
Net cash flows from / (used in) financing activities		**2,066**	**8,212**
Increase / (decrease) in cash and cash equivalents		**(1,397)**	**1,295**
Cash and cash equivalents at 1 April - brought forward		**5,346**	**4,051**
Cash and cash equivalents at 31 March	28.1	**3,949**	**5,346**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

IAS 1 requires the Trust to assess, as part of the accounts preparation process, its ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than the dissolution of the Trust without the transfer of its services to another entity within the public sector.

The Directors, having made appropriate enquiries, have reasonable expectations that the Trust will have adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties that may cast significant doubt on this assessment. As directed by the 2019/20 Department of Health and Social Care Group Accounting Manual the Directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the Trust will continue to be provided in the foreseeable future.

Note 1.3 Interests in other entities

NHS Charitable Fund

The Trust is the Corporate Trustee to Over and Above NHS Charitable Fund. Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity’s financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact.

In accordance with IAS 1 Presentation of Financial Statements the Trust has reviewed the accounts of its NHS Charitable Fund and deemed it not material to be consolidated within the Trust’s own accounts.

Other subsidiaries

The Trust does not have any subsidiary undertakings.

Associates

The Trust does not have any Associate arrangements.

Joint ventures

The Trust does not have any joint ventures.

Joint operations

The Trust does not have any joint operations arrangements.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard contract entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

The effects of contract/invoice challenges are not considered significant in the determination of the transaction price for revenue recognition.

The effects of penalties are not considered significant in the determination of the transaction price for revenue recognition.

The effect of readmissions is reflected in the contract baseline.

The effects of CQUIN are not material.

Revenue from research contracts

The Trust does not receive material research income.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Local Government Pension Scheme

The Trust has no employees that are members of the Local Government Pension Scheme.

Note 1.7 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.8 Discontinued operations
The Trust did not have any discontinued operations.

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.
Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement
Valuation
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.
Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.
Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.
IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
The Trust does not have any PFI or LIFT transactions for the current financial year.

Useful lives of property, plant and equipment
Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Land	0	99
Buildings, excluding dwellings	2	75
Dwellings	5	38
Plant & machinery	5	15
Transport equipment	7	7
Information technology	3	5
Furniture & fittings	10	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.10 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of drug inventories is measured using the weighted average cost method. All other items of stock are valued at cost.

Note 1.12 Investment properties

The Trust has no investment properties.

Note 1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.14 Carbon Reduction Commitment scheme (CRC)

The Trust does not have any CRC or similar allowances.

Note 1.15 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.16 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The trust as a lessee

Finance leases
The Trust does not have any finance leases.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The trust as a lessor

Finance leases

The Trust does not act as a lessor.

Operating leases

The Trust does not act as a lessor.

Note 1.17 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 34.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.18 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 35 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 35, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.19 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.20 Value added tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.21 Corporation tax

The Trust is not a separate legal entity and therefore not liable for corporation tax.

Note 1.22 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.23 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.24 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.25 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

The Trust has no gifts to report in its accounts.

Note 1.26 Transfers of functions [to / from] [other NHS bodies / local government bodies]

For functions that have been transferred to the Trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

There have been no assets or liabilities transferred to or from the Trust during the financial year.

Note 1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.28 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease. A grandfather clause (or grandfather policy or grandfathering) is a provision in which an old rule continues to apply to some existing situations while a new rule will apply to all future cases.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.
For leases commencing in 2021/22, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.29 Critical judgements in applying accounting policies

In the application of the NHS Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The Trust has employed the services of the District Valuer to provide a valuation of its property and therefore used their assumptions in the revaluation of its property as set out in note 1.7. It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumptions informing the valuation of land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 17.

The Trust has made assumptions around the value of its accruals in the accounts based on historic data, or the subsequent receipt of a supplier invoice before the closure of the accounting period. A substantial proportion of accruals are agreed through the DH&SC Agreement of Balances exercise.

The Trust has made assumptions around the value of accrued income in the accounts based on historic data, the majority of which is agreed through the DH&SC Agreement of Balances exercise.

Note 1.30 Sources of estimation uncertainty

Due to the materiality level of estimates for accruals as the major source of estimation uncertainty the Trust does not consider it carries significant risk in its valuation that could result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 2 Operating Segments

The Trust has considered the requirements in IFRS8 for segmental analysis.

Having reviewed the operating segments reported internally to the Board, the Trust is satisfied that it is appropriate to aggregate these as, in accordance with IFRS Operating Segments they are similar in each of the following aspects:

- The nature of the products and services;
- The type of customer for the products and services;
- The methods used to distribute the products or provide the services; and
- The nature of the regulatory environment.

The Trust therefore has just one segment, "Healthcare".

	Healthcare		Total	
	2019/20	**2018/19**	**2019/20**	**2018/19**
	£'000	**£'000**	**£'000**	**£'000**
Income	**237,682**	201,225	**237,682**	201,225
Surplus/(Deficit)				
Common costs	**(234,083)**	(214,937)	**(234,083)**	(214,937)
Operating Surplus/(Deficit)	**3,599**	(13,712)	**3,599**	(13,712)
Net Assets:				
Segment net assets	**62,550**	58,018	**62,550**	58,018

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)	2019/20 £000	2018/19 £000
Acute services		
Elective income	22,213	20,495
Non elective income	44,515	37,839
First outpatient income	17,088	15,117
Follow up outpatient income	8,822	8,514
A & E income	6,405	5,310
High cost drugs income from commissioners (excluding pass-through costs)	17,087	15,334
Other NHS clinical income	32,809	31,598
Community services		
Community services income from CCGs and NHS England	30,488	32,699
Income from other sources (e.g. local authorities)	20,482	19,239
All services		
Private patient income	554	560
Agenda for Change pay award central funding*	0	1,739
Additional pension contribution central funding**	5,599	0
Other clinical income	931	97
Total income from activities	**206,993**	**188,541**

*Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2019/20 £000	2018/19 £000
NHS England	25,890	17,885
Clinical commissioning groups	159,030	148,410
Department of Health and Social Care	20	1,759
Other NHS providers	569	295
NHS other	79	267
Local authorities	20,482	19,239
Non-NHS: private patients	554	560
Non-NHS: overseas patients (chargeable to patient)	46	31
Injury cost recovery scheme	274	17
Non NHS: other	49	78
Total income from activities	**206,993**	**188,541**
Of which:		
Related to continuing operations	206,993	188,541
Related to discontinued operations	0	0

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2019/20	2018/19
	£000	£000
Income recognised this year	46	31
Cash payments received in-year	22	14
Amounts written off in-year	0	1

Note 4 Other operating income

	2019/20			2018/19
	Contract income	Non-contract income	Total	Total
	£000	£000	£000	£000
Research and development	463	0	**463**	**408**
Education and training	3,510	0	**3,510**	**3,666**
Non-patient care services to other bodies	2,948	0	**2,948**	**2,181**
Provider sustainability fund (PSF)	2,570	0	**2,570**	**0**
Financial recovery fund (FRF)	10,269	0	**10,269**	**0**
Marginal rate emergency tariff funding (MRET)	1,256	0	**1,256**	**0**
Income in respect of employee benefits accounted on a gross basis	3,667	0	**3,667**	**2,885**
Receipt of capital grants and donations	0	1,135	**1,135**	**168**
Charitable and other contributions to expenditure	0	166	**166**	**153**
Other income	4,705	0	**4,705**	**3,223**
Total other operating income	**29,388**	**1,301**	**30,689**	**12,684**
Of which:				
Related to continuing operations			**30,689**	**12,684**
Related to discontinued operations			**0**	**0**

Other income includes property rental income, car parking income, sponsorship and various other items.

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	0	2,903
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0	0

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March 2020	31 March 2019
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	£000	£000
within one year	0	0
after one year, not later than five years	0	0
after five years	0	0
Total revenue allocated to remaining performance obligations	**0**	**0**

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 6.1 Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2019/20	2018/19
	£000	£000
Income	0	0
Full cost	0	0
Surplus / (deficit)	**0**	**0**

Note 7.1 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,317	3,187
Purchase of healthcare from non-NHS and non-DHSC bodies	1,978	1,769
Purchase of social care	12,455	11,605
Staff and executive directors costs	147,298	131,240
Remuneration of non-executive directors	70	41
Supplies and services - clinical (excluding drugs costs)	16,326	16,087
Supplies and services - general	7,554	7,092
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	16,983	16,046
Consultancy costs	0	27
Establishment	5,074	6,428
Premises	5,571	5,068
Transport (including patient travel)	1,632	1,331
Depreciation on property, plant and equipment	4,113	4,204
Amortisation on intangible assets	1,044	1,124
Net impairments	(869)	(1,228)
Movement in credit loss allowance: contract receivables / contract assets	10	(65)
Increase/(decrease) in other provisions	0	19
Audit fees payable to the external auditor		
audit services- statutory audit	59	54
other auditor remuneration (external auditor only)	4	17
Internal audit costs	175	170
Clinical negligence	6,209	6,077
Legal fees	323	178
Insurance	165	150
Research and development	505	474
Education and training	2,184	2,343
Rentals under operating leases	391	374
Car parking & security	64	35
Hospitality	31	53
Other services, eg external payroll	58	59
Other	1,359	978
Total	**234,083**	**214,937**
Of which:		
Related to continuing operations	234,083	214,937
Related to discontinued operations	0	0

Note 7.2 Other auditor remuneration

	2019/20 £000	2018/19 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	4	4
2. Audit-related assurance services	0	12
3. Taxation compliance services	0	0
4. All taxation advisory services not falling within item 3 above	0	0
5. Internal audit services	0	0
6. All assurance services not falling within items 1 to 5	0	0
7. Corporate finance transaction services not falling within items 1 to 6 above	0	0
8. Other non-audit services not falling within items 2 to 7 above	0	1
Total	**4**	**17**

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2018/19: £1m).

Note 8 Impairment of assets

	2019/20 £000	2018/19 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(869)	(1,228)
Total net impairments charged to operating surplus / deficit	**(869)**	**(1,228)**
Impairments charged to the revaluation reserve	(52)	2
Total net impairments	**(921)**	**(1,226)**

Note 9 Employee benefits

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	103,930	95,939
Social security costs	10,245	9,636
Apprenticeship levy	546	468
Employer's contributions to NHS pensions	18,358	11,915
Pension cost - other	46	24
Other post employment benefits	25	49
Temporary staff (including agency)	16,023	15,565
Total gross staff costs	**149,173**	**133,596**
Recoveries in respect of seconded staff	0	0
Total staff costs	**149,173**	**133,596**
Of which		
Costs capitalised as part of assets	113	675
Costs charged to Statement of Comprehensive Income	149,060	132,921
Analysed as:		
Staff and Executive Director Costs	147,298	131,240
Included in Research and Development Costs	505	474
Included in Education and Training Costs	1,257	1,207
	149,060	**132,921**

Note 9.1 Retirements due to ill-health

During 2019/20 there were 4 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £283k (£193k in 2018/19).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) Additional defined contribution workplace pension scheme

The Trust offers an additional defined contribution workplace pension scheme - National Employment Savings Scheme (NEST) - if an employee is not eligible to join the NHS Pension Scheme and meets the following criteria:

- They are not already paying into a pension scheme
- They earn over £10,000 a year (equating to £833.00 a month, or £191.78 per week)
- They are aged 22 or over
- They are under State Pension age.

The defined contributions are:

- 4% employee
- 3% employer

The values are based on qualifying earnings being the earnings that attract National Insurance between the Lower Earnings Level and Upper Earnings Level - for 2019/20 £520 and £4,167. The maximum earnings eligible for contributions is £3,647.

Note 11 Operating leases

Note 11.1 Northern Devon Healthcare NHS Trust as a lessor

The Trust has no lessor agreements.

Note 11.2 Northern Devon Healthcare NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Northern Devon Healthcare NHS Trust is the lessee.

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	391	374
Total	**391**	**374**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	381	388
- later than one year and not later than five years;	531	601
Total	**912**	**989**
Future minimum sublease payments to be received	0	0

Note 12 Finance income

Finance income represents interest received on assets and investments in the period.

	2019/20	2018/19
	£000	£000
Interest on bank accounts	81	75
Total finance income	**81**	**75**

Note 13.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	385	181
Interest on late payment of commercial debt	1	10
Total interest expense	**386**	**191**
Total finance costs	**386**	**191**

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2019/20	2018/19
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	0	0
Amounts included within interest payable arising from claims made under this legislation	1	10
Compensation paid to cover debt recovery costs under this legislation	0	0

Note 14 Other gains / (losses)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	33	2
Losses on disposal of assets	0	0
Total gains / (losses) on disposal of assets	**33**	**2**
Gains / (losses) on foreign exchange	0	0
Fair value gains / (losses) on investment properties	0	0
Fair value gains / (losses) on financial assets / investments	0	0
Fair value gains / (losses) on financial liabilities	0	0
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	0	0
Other gains / (losses)	0	0
Total other gains / (losses)	**33**	**2**

Note 15 Discontinued operations

The Trust has had no discontinued operations in either 2019/20 or 2018/19

Note 16.1 Intangible assets - 2019/20

	Software licences	Licences & trademarks	Development expenditure	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**9,741**	**1,725**	**2,739**	**14,205**
Transfers by absorption	0	0	0	**0**
Additions	223	50	99	**372**
Impairments	0	0	0	**0**
Reversals of impairments	0	0	0	**0**
Revaluations	0	0	0	**0**
Reclassifications	1,491	0	(1,491)	**0**
Transfers to / from assets held for sale	0	0	0	**0**
Disposals / derecognition	(613)	(802)	0	**(1,415)**
Valuation / gross cost at 31 March 2020	**10,842**	**973**	**1,347**	**13,162**
Amortisation at 1 April 2019 - brought forward	**4,116**	**1,447**	**59**	**5,622**
Transfers by absorption	0	0	0	**0**
Provided during the year	909	135	0	**1,044**
Impairments	0	0	0	**0**
Reversals of impairments	0	0	0	**0**
Revaluations	0	0	0	**0**
Reclassifications	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	**0**
Disposals / derecognition	(613)	(802)	0	**(1,415)**
Amortisation at 31 March 2020	**4,412**	**780**	**59**	**5,251**
Net book value at 31 March 2020	**6,430**	**193**	**1,288**	**7,911**
Net book value at 1 April 2019	**5,625**	**278**	**2,680**	**8,583**

Note 16.2 Intangible assets - 2018/19

	Software licences	Licences & trademarks	Development expenditure	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018	**9,676**	**1,709**	**1,999**	**13,384**
Transfers by absorption	0	0	0	**0**
Additions	65	16	740	**821**
Impairments	0	0	0	**0**
Reversals of impairments	0	0	0	**0**
Revaluations	0	0	0	**0**
Reclassifications	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	**0**
Disposals / derecognition	0	0	0	**0**
Valuation / gross cost at 31 March 2019	**9,741**	**1,725**	**2,739**	**14,205**
Amortisation at 1 April 2018	**3,184**	**1,255**	**59**	**4,498**
Transfers by absorption	0	0	0	**0**
Provided during the year	932	192	0	**1,124**
Impairments	0	0	0	**0**
Reversals of impairments	0	0	0	**0**
Revaluations	0	0	0	**0**
Reclassifications	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	**0**
Disposals / derecognition	0	0	0	**0**
Amortisation at 31 March 2019	**4,116**	**1,447**	**59**	**5,622**
Net book value at 31 March 2019	**5,625**	**278**	**2,680**	**8,583**
Net book value at 1 April 2018	**6,492**	**454**	**1,940**	**8,886**

Note 17.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**6,330**	**57,154**	**524**	**102**	**19,098**	**12**	**4,683**	**819**	**88,722**
Transfers by absorption	0	0	0	0	0	0	0	0	**0**
Additions	0	1,987	0	2,353	2,130	0	5	25	**6,500**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	37	15	0	0	0	0	0	**52**
Revaluations	0	(510)	(15)	0	0	0	0	0	**(525)**
Reclassifications	0	1,314	0	(1,077)	8	0	(252)	7	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(3,981)	0	(1,526)	(126)	**(5,633)**
Valuation/gross cost at 31 March 2020	**6,330**	**59,982**	**524**	**1,378**	**17,255**	**12**	**2,910**	**725**	**89,116**
Accumulated depreciation at 1 April 2019 - brought forward	**0**	**0**	**0**	**0**	**15,490**	**12**	**2,858**	**365**	**18,725**
Transfers by absorption	0	0	0	0	0	0	0	0	**0**
Provided during the year	0	2,419	66	0	1,056	0	498	74	**4,113**
Impairments	0	190	0	0	0	0	0	0	**190**
Reversals of impairments	0	(1,059)	0	0	0	0	0	0	**(1,059)**
Revaluations	0	(1,550)	(66)	0	0	0	0	0	**(1,616)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(3,981)	0	(1,526)	(126)	**(5,633)**
Accumulated depreciation at 31 March 2020	**0**	**0**	**0**	**0**	**12,565**	**12**	**1,830**	**313**	**14,720**
Net book value at 31 March 2020	**6,330**	**59,982**	**524**	**1,378**	**4,690**	**0**	**1,080**	**412**	**74,396**
Net book value at 1 April 2019	**6,330**	**57,154**	**524**	**102**	**3,608**	**0**	**1,825**	**454**	**69,997**

Note 17.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018	**6,330**	**54,848**	**524**	**1,059**	**17,419**	**12**	**4,558**	**768**	**85,518**
Transfers by absorption	0	0	0	0	0	0	0	0	**0**
Additions	0	1,320	0	253	2,059	0	830	51	**4,513**
Impairments	0	(340)	0	0	0	0	0	0	**(340)**
Reversals of impairments	0	1,551	15	0	0	0	0	0	**1,566**
Revaluations	0	(1,435)	(15)	0	0	0	0	0	**(1,450)**
Reclassifications	0	1,210	0	(1,210)	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(380)	0	(705)	0	**(1,085)**
Valuation/gross cost at 31 March 2019	**6,330**	**57,154**	**524**	**102**	**19,098**	**12**	**4,683**	**819**	**88,722**
Accumulated depreciation at 1 April 2018	**0**	**0**	**0**	**0**	**14,820**	**12**	**2,884**	**287**	**18,003**
Transfers by absorption	0	0	0	0	0	0	0	0	**0**
Provided during the year	0	2,332	65	0	1,050	0	679	78	**4,204**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(2,332)	(65)	0	0	0	0	0	**(2,397)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals / derecognition	0	0	0	0	(380)	0	(705)	0	**(1,085)**
Accumulated depreciation at 31 March 2019	**0**	**0**	**0**	**0**	**15,490**	**12**	**2,858**	**365**	**18,725**
Net book value at 31 March 2019	**6,330**	**57,154**	**524**	**102**	**3,608**	**0**	**1,825**	**454**	**69,997**
Net book value at 1 April 2018	**6,330**	**54,848**	**524**	**1,059**	**2,599**	**0**	**1,674**	**481**	**67,515**

Note 17.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	6,330	56,224	524	1,378	4,404	0	1,080	332	**70,272**
Finance leased	0	0	0	0	0	0	0	0	**0**
On-SoFP PFI contracts and other service concession arrangements	0	0	0	0	0	0	0	0	**0**
Off-SoFP PFI residual interests	0	0	0	0	0	0	0	0	**0**
Owned - government granted	0	0	0	0	0	0	0	0	**0**
Owned - donated	0	3,758	0	0	286	0	0	80	**4,124**
NBV total at 31 March 2020	**6,330**	**59,982**	**524**	**1,378**	**4,690**	**0**	**1,080**	**412**	**74,396**

Note 17.4 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	6,330	54,418	524	42	3,254	0	1,824	396	**66,788**
Finance leased	0	0	0	0	0	0	0	0	**0**
On-SoFP PFI contracts and other service concession arrangements	0	0	0	0	0	0	0	0	**0**
Off-SoFP PFI residual interests	0	0	0	0	0	0	0	0	**0**
Owned - government granted	0	0	0	0	0	0	0	0	**0**
Owned - donated	0	2,736	0	60	354	0	1	58	**3,209**
NBV total at 31 March 2019	**6,330**	**57,154**	**524**	**102**	**3,608**	**0**	**1,825**	**454**	**69,997**

Note 18 Donations of property, plant and equipment

Various donors have funded assets during the year including Over and Above to the value of £1,136k and the League of Friends of all hospitals.

Note 19 Revaluations of property, plant and equipment

All land and buildings are restated to current modern equivalent asset value using professional valuations in accordance with IAS16 every 5 years and in the intervening years by annual desk top exercise undertaken by the District Valuer, an arm of the Valuation Office which is an executive agency of HM Revenue and Customs.

A full professional revaluation was due from D Corbett MRICS, District Valuer on 31 March 2020. However due to the current COVID-19 crisis, this was only conducted at North Devon District Hospital, and all other sites were completed by the desktop valuation method. This was applied to all land and buildings.

	31 March 2020		31 March 2019	
	£'000	£'000	£'000	£'000
Impact of Revaluation:				
Impairments taken to SOCI	(190)		(328)	
Reversal of impairments previously taken to SOCI	1,059		1,556	
		869		1,228
Impairments taken to Revaluation Reserve	0		(12)	
Reversal of impairments previously taken to Revaluation Reserve	52		10	
		52		(2)
Revaluation taken to Revaluation Reserve		1,091		948
		2,012		2,174

Note 20 Investment Property

The Trust has no investment property

Note 21 Investments in associates and joint ventures

The Trust has no investments in associates and joint ventures.

Note 22 Other investments / financial assets (non-current)

The Trust has no other investments / financial assets (non-current).

Note 23 Disclosure of interests in other entities

The Trust has no interests in other entities.

Note 24 Inventories

	2020	2019
	£000	£000
Drugs	1,154	797
Work In progress	0	0
Consumables	1,915	1,902
Energy	100	89
Other	0	0
Total inventories	**3,169**	**2,788**
of which:		
Held at fair value less costs to sell	0	0

Inventories recognised in expenses for the year were £31,578k (2018/19: £32,405k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 25.1 Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	13,024	7,671
Contract assets	0	0
Capital receivables	27	72
Allowance for impaired contract receivables / assets	(22)	(14)
Allowance for other impaired receivables	0	0
Deposits and advances	0	0
Prepayments (non-PFI)	2,050	1,435
PFI prepayments - capital contributions	0	0
PFI lifecycle prepayments	0	0
Interest receivable	0	0
Finance lease receivables	0	0
PDC dividend receivable	0	259
VAT receivable	557	371
Corporation and other taxes receivable	0	0
Other receivables	136	0
Total current receivables	**15,772**	**9,794**
Non-current		
Contract receivables	0	0
Contract assets	1,086	1,073
Capital receivables	0	0
Allowance for impaired contract receivables / assets	0	0
Allowance for other impaired receivables	(237)	(235)
Deposits and advances	0	0
Prepayments (non-PFI)	0	0
PFI prepayments - capital contributions	0	0
PFI lifecycle prepayments	0	0
Interest receivable	0	0
Finance lease receivables	0	0
VAT receivable	0	0
Corporation and other taxes receivable	0	0
Other receivables	0	0
Total non-current receivables	**849**	**838**
Of which receivable from NHS and DHSC group bodies:		
Current	8,442	4,413
Non-current	0	0

Note 25.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April	**249**	**0**	**0**	**314**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	0	0	314	(314)
Transfers by absorption	**0**	**0**	0	0
New allowances arising	59	0	73	0
Changes in existing allowances	5	0	(85)	0
Reversals of allowances	(54)	0	(53)	0
Allowances as at 31 Mar 2020	**259**	**0**	**249**	**0**

Note 25.3 Exposure to credit risk

The Trust does not consider it has a material exposure to credit risk.

Note 26 Other assets

The Trust does not have any other assets to disclose.

Note 27.1 Non-current assets held for sale and assets in disposal groups

The Trust does not have any assets held for sale.

Note 27.2 Liabilities in disposal groups

The Trust does not have any liabilities in disposal groups.

Note 28.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2019/20	2018/19
	£000	£000
At 1 April	**5,346**	**4,051**
Transfers by absorption	0	0
Net change in year	(1,397)	1,295
At 31 March	**3,949**	**5,346**
Broken down into:		
Cash at commercial banks and in hand	9	9
Cash with the Government Banking Service	3,940	5,337
Deposits with the National Loan Fund	0	0
Other current investments	0	0
Total cash and cash equivalents as in SoFP	**3,949**	**5,346**
Bank overdrafts (GBS and commercial banks)	0	0
Drawdown in committed facility	0	0
Total cash and cash equivalents as in SoCF	**3,949**	**5,346**

Note 28.2 Third party assets held by the trust

Northern Devon Healthcare NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2020	31 March 2019
	£000	£000
Bank balances	0	0
Monies on deposit	0	0
Total third party assets	**0**	**0**

Note 29.1 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	13,719	10,555
Capital payables	1,296	914
Accruals	3,898	3,795
Receipts in advance and payments on account	0	0
PFI lifecycle replacement received in advance	0	0
Social security costs	2,588	2,486
VAT payables	0	0
Other taxes payable	0	0
PDC dividend payable	43	0
Other payables	76	96
Total current trade and other payables	**21,620**	**17,846**
Non-current		
Trade payables	0	0
Capital payables	0	0
Accruals	0	0
Receipts in advance and payments on account	0	0
PFI lifecycle replacement received in advance	0	0
VAT payables	0	0
Other taxes payable	0	0
Other payables	0	0
Total non-current trade and other payables	**0**	**0**
Of which payables from NHS and DHSC group bodies:		
Current	3,444	3,240
Non-current	0	0

Note 29.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2020 £000	31 March 2020 Number	31 March 2019 £000	31 March 2019 Number
- to buy out the liability for early retirements over 5 years	0		0	
- number of cases involved		0		0

Note 30 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	0	0
Deferred grants	0	0
Deferred PFI credits / income	0	0
Lease incentives	0	0
Other deferred income	1,102	2,833
Total other current liabilities	**1,102**	**2,833**
Non-current		
Deferred income: contract liabilities	0	0
Deferred grants	0	0
Deferred PFI credits / income	0	0
Lease incentives	0	0
Other deferred income	0	0
Net pension scheme liability	0	0
Total other non-current liabilities	**0**	**0**

Note 31.1 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Bank overdrafts	0	0
Drawdown in committed facility	0	0
Loans from DHSC	20,083	5,364
Other loans	607	711
Obligations under finance leases	0	0
Obligations under PFI, LIFT or other service concession contracts	0	0
Total current borrowings	**20,690**	**6,075**
Non-current		
Loans from DHSC	0	11,919
Other loans	0	607
Obligations under finance leases	0	0
Obligations under PFI, LIFT or other service concession contracts	0	0
Total non-current borrowings	**0**	**12,526**

As detailed in note 47 Events after the Reporting Date, reforms to the NHS Capital and Cash regime will issue new Public Dividend Capital to 'extinguish' existing revenue and capital loans. As such all loans have been reclassified as current in the Statement of Financial Position as detailed above.

Note 31.2 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Other loans	Total
	£000	£000	£000
Carrying value at 1 April 2019	**17,283**	**1,318**	**18,601**
Cash movements:			
Financing cash flows - payments and receipts of principal	2,800	(712)	**2,088**
Financing cash flows - payments of interest	(385)	0	**(385)**
Non-cash movements:			
Transfers by absorption	0	0	**0**
Additions	0	0	**0**
Application of effective interest rate	385	0	**385**
Change in effective interest rate	0	0	**0**
Changes in fair value	0	0	**0**
Early terminations	0	0	**0**
Other changes	0	1	**1**
Carrying value at 31 March 2020	**20,083**	**607**	**20,690**

Note 31.3 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC	Other loans	Total
	£000	£000	£000
Carrying value at 1 April 2018	**6,929**	**2,029**	**8,958**
Prior period adjustment	**0**	**0**	**0**
Carrying value at 1 April 2018 - restated	**6,929**	**2,029**	**8,958**
Cash movements:			
Financing cash flows - payments and receipts of principal	10,274	(711)	**9,563**
Financing cash flows - payments of interest	(122)	0	**(122)**
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	21	0	**21**
Transfers by absorption	0	0	**0**
Additions	0	0	**0**
Application of effective interest rate	181	0	**181**
Change in effective interest rate	0	0	**0**
Changes in fair value	0	0	**0**
Early terminations	0	0	**0**
Other changes	0	0	**0**
Carrying value at 31 March 2019	**17,283**	**1,318**	**18,601**

Note 32 Other financial liabilities

The Trust has no other financial liabilities to report.

Note 33 Finance leases

Note 33.1 Northern Devon Healthcare NHS Trust as a lessor

The Trust has no finance lease agreements or obligations as a lessor.

Note 33.2 Northern Devon Healthcare NHS Trust as a lessee

The Trust has no finance lease agreements or obligations as a lessee.

Note 34.1 Provisions for liabilities and charges analysis

	Legal claims	Total
	£000	£000
At 1 April 2019	**48**	**48**
Transfers by absorption	**0**	**0**
Change in the discount rate	**0**	**0**
Arising during the year	**54**	**54**
Utilised during the year	(11)	**(11)**
Reclassified to liabilities held in disposal groups	**0**	**0**
Reversed unused	**(7)**	**(7)**
Unwinding of discount	**0**	**0**
At 31 March 2020	**84**	**84**
Expected timing of cash flows:		
- not later than one year;	20	**20**
- later than one year and not later than five years;	64	**64**
- later than five years.	0	**0**
Total	**84**	**84**

Provisions relate to Trust liabilities under the NHS Resolution LTPS and PES schemes for potential claims.

Note 34.2 Clinical negligence liabilities

At 31 March 2020, £139,347k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Northern Devon Healthcare NHS Trust (31 March 2019: £128,203k).

Note 35 Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	(32)	(27)
Employment tribunal and other employee related litigation	0	0
Redundancy	0	0
Other	0	0
Gross value of contingent liabilities	**(32)**	**(27)**
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	**(32)**	**(27)**
Net value of contingent assets	**0**	**0**

Contingent Liabilities relate to associated provisions for claims under the NHS Resolution LTPS and PES schemes.

Note 36 Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	369	1,242
Intangible assets	0	0
Total	**369**	**1,242**

Note 37 Other financial commitments

The Trust has no other financial commitments.

Note 38 Defined benefit pension schemes

There are no specific disclosures to make relating to defined benefit pension schemes in note 10.

Note 38.1 Changes in the defined benefit obligation and fair value of plan assets during the year

There are no changes to report.

Note 38.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

There are no changes to reconcile.

Note 39 On-SoFP PFI, LIFT or other service concession arrangements

The Trust does not have any PFI schemes, LIFT schemes or other service concession recognised on-SoFP.

Note 40 Off-SoFP PFI, LIFT and other service concession arrangements

The Trust does not have any PFI schemes, LIFT schemes or other service concession accounted for off-SoFP.

Note 41 Financial instruments

Note 41.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with the CCG and the way those CCG'S are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust has borrowed from government for revenue financing, following approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust can borrow from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the trust's has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with CCGs, which are financed from resources voted annually by Parliament . The trust funds its capital expenditure from funds agreed within its Capital Resource Limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 41.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	14,011	0	0	**14,011**
Other investments / financial assets	0	0	0	**0**
Cash and cash equivalents	3,949	0	0	**3,949**
Total at 31 March 2020	**17,960**	**0**	**0**	**17,960**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	8,567	0	0	**8,567**
Other investments / financial assets	0	0	0	**0**
Cash and cash equivalents	5,346	0	0	**5,346**
Total at 31 March 2019	**13,913**	**0**	**0**	**13,913**

Note 41.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	20,083	0	**20,083**
Obligations under finance leases	0	0	**0**
Obligations under PFI, LIFT and other service concession contracts	0	0	**0**
Other borrowings	607	0	**607**
Trade and other payables excluding non financial liabilities	16,060	0	**16,060**
Other financial liabilities	0	0	**0**
Provisions under contract	84	0	**84**
Total at 31 March 2020	**36,834**	**0**	**36,834**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	17,283	0	**17,283**
Obligations under finance leases	0	0	**0**
Obligations under PFI, LIFT and other service concession contracts	0	0	**0**
Other borrowings	1,318	0	**1,318**
Trade and other payables excluding non financial liabilities	11,873	0	**11,873**
Other financial liabilities	0	0	**0**
Provisions under contract	0	0	**0**
Total at 31 March 2019	**30,474**	**0**	**30,474**

Note 41.4 Maturity of financial liabilities

	2020	2019
	£000	£000
In one year or less	36,770	17,948
In more than one year but not more than two years	64	2,252
In more than two years but not more than five years	0	4,774
In more than five years	0	5,500
Total	**36,834**	**30,474**

Note 41.5 Fair values of financial assets and liabilities

The Trust considers that the book value (carrying value) is a reasonable approximation of fair value.

Note 42 Losses and special payments

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	0	0	0	0
Fruitless payments	0	0	0	0
Bad debts and claims abandoned	15	0	124	10
Stores losses and damage to property	1	3	1	10
Total losses	**16**	**3**	**125**	**20**
Special payments				
Compensation under court order or legally binding arbitration award	0	0	0	0
Extra-contractual payments	0	0	0	0
Ex-gratia payments	17	18	16	47
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Total special payments	**17**	**18**	**16**	**47**
Total losses and special payments	**33**	**21**	**141**	**67**
Compensation payments received		0		0

Details of cases individually over £300k

There were no cases exceeding £300k for the current year and the prior year.

Note 43 Gifts

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Gifts made	0	0	0	0

Details of cases individually over £300k

There were no gifts with either a value exceeding £300,000 individually or in total.

Note 44 Related parties

During the year none of the Department of Health and Social Care Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Northern Devon Healthcare NHS Trust.

The Department of Health is regarded as a related party. During the year Northern Devon Healthcare NHS Trust has had a significant number of material transactions with the Department, and or with other entities for which the Department is regarded as the parent department. For example:

	2019-20		2018-19	
	Income	Expenditure	Income	Expenditure
	£'000	£'000	£'000	£'000
NHS Devon CCG	148,641	152	138,270	349
NHS England and Local Area Teams	34,378	4	18,088	25
NHS Kernow CCG	8,307	0	7,172	0
NHS Somerset CCG	597	0		
Royal Devon & Exeter NHS Foundation Trust	1,525	5,950	1,235	5,481
Torbay and South Devon NHS Foundation Trust	4	1,848	14	1,321
Devon Partnership Trust	2,271	240	1,643	137
NHS Pensions Agency	0	18,358	0	11,915
Health Education England	4,838	0	4,441	6
NHS Resolution	5	6,170	9	6,225

	2019-20		2018-19	
	Debtor	Creditor	Debtor	Creditor
	£'000	£'000	£'000	£'000
NHS Devon CCG	490	298	1,988	449
NHS England and Local Area Teams	5,660	792	373	1,477
NHS Kernow CCG	238	0	239	0
NHS Somerset CCG	2	0	0	0
Royal Devon & Exeter NHS Foundation Trust	349	2,100	554	812
Torbay and South Devon NHS Foundation Trust	30	212	42	209
Devon Partnership Trust	931	83	22	1
NHS Pensions Agency	0	1,933	0	1,702
Health Education England	217	0	288	0
NHS Resolution	0	1	0	0

In addition the Trust has had a number of material transactions with other government departments, other central and local government bodies plus its linked charity.

	2019-20		2018-19	
	Income	Expenditure	Income	Expenditure
	£'000	£'000	£'000	£'000
Most of these have been with:				
Devon County Council in respect of Public Health Services and Domiciliary Care	20,835	20	18,853	330
Torbay Council in respect of Public Health Services	1,084	0	35	0
HMRC in respect of tax and national insurance	0	10,791	0	10,104
HMRC in respect of VAT payable and recoverable	4,170		3,075	0
NHS Professionals		8,337	0	5,964
NHS Supplies Authority		3,621	0	3,685
Northern Devon Healthcare NHS Trust Charitable Fund	1,196		204	0

Note 45 Transfers by absorption

There were no transfers by absorption in the year.

Note 46 Prior period adjustments

The Trust has not made any prior period adjustments.

Note 47 Events after the reporting date

On 2 April 2020 reforms to the NHS Cash and Capital regimes for the 2020/21 financial year were announced as effective from 1 April 2020 including New Public Dividend Capital (PDC) to be issued at 30 September 2020 to 'extinguish' interim revenue and capital loans at 31 March 2020. The PDC issued will include accrued interest from 1 April to 30 September 2020 on revenue support loans.

- All loans will be frozen at 31 March 2020 and interest payments will cease from that date.
- Amounts due for loan principal and accrued interest will be calculated and reconciled to audited accounts for the year ended 31 March 2020.
- PDC in the equivalent amount will be issued alongside an MOU to repay the loans on 30 September 2020.
- DHSC and NHSEI will carry out a review of the PDC rate as it applies across the NHS financial architecture during 2020/21 financial year.

This is treated as a non-adjusting event after the reporting period.

The potential impact on the Trust is:

- £20,083k of DHSC loans classified as current liabilities in the Statement of Financial Position and reflected in note 31.1 of the draft accounts to be converted to PDC.
- 6 months accrued interest based will be in the region of £350k and be converted to PDC and not reflected as an expense within the Statement of Comprehensive Income.
- Additional PDC in the region of £350k will be incurred as expenditure within the Statement of Comprehensive Income for 2020/21.

Note 48 Final period of operation as a trust providing NHS healthcare

The Trust is not preparing accounts as a final period of operation.

Note 49 Better Payment Practice code

Non-NHS Payables	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Total non-NHS trade invoices paid in the year	60,175	81,277	56,480	78,247
Total non-NHS trade invoices paid within target	57,536	77,905	54,284	74,933
Percentage of non-NHS trade invoices paid within target	95.6%	95.9%	96.1%	95.8%
NHS Payables				
Total NHS trade invoices paid in the year	1,972	81,280	1,811	74,862
Total NHS trade invoices paid within target	1,811	79,350	1,687	72,339
Percentage of NHS trade invoices paid within target	91.8%	97.6%	93.2%	96.6%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 50 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2019/20 £000	2018/19 £000
Cash flow financing	5,090	8,826
Finance leases taken out in year	0	0
Other capital receipts	0	0
External financing requirement	**5,090**	**8,826**
External financing limit (EFL)	6,521	12,963
Under / (over) spend against EFL	**1,431**	**4,137**

Note 51 Capital Resource Limit

	2019/20 £000	2018/19 £000
Gross capital expenditure	6,872	5,334
Less: Disposals	0	0
Less: Donated and granted capital additions	(1,135)	(168)
Plus: Loss on disposal from capital grants in kind	0	0
Charge against Capital Resource Limit	**5,737**	**5,166**
Capital Resource Limit	5,752	5,428
Under / (over) spend against CRL	**15**	**262**

The Capital Resource Limit is set at the beginning of the year based on forecast depreciation, less any loan commitments. It is increased during the year on receipt of Public Dividend Capital to support the Trust's capital programme. At the year end the Trust had underspent against permitted funding levels by £15k.

Note 52 Breakeven duty financial performance

	2019/20 £000
Adjusted financial performance surplus / (deficit) (control total basis)	36
Remove impairments scoring to Departmental Expenditure Limit	0
Add back income for impact of 2018/19 post-accounts PSF reallocation	0
Add back non-cash element of On-SoFP pension scheme charges	0
IFRIC 12 breakeven adjustment	0
Breakeven duty financial performance surplus / (deficit)	**36**

Note 53 Breakeven duty rolling assessment

The Trust has a cumulative deficit for Break Even Duty purposes of £3,034k. Under under current guidance the Trust is required to achieve cumulative breakeven duty by 31 March 2021 or longer if agreed as part of a recovery plan with NHS regulators

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		0	252	1,719	2,205	2,240
Breakeven duty cumulative position	251	251	503	2,222	4,427	6,667
Operating income		128,509	134,710	211,041	220,680	225,787
Cumulative breakeven position as a percentage of operating income		0.2%	0.4%	1.1%	2.0%	3.0%

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	2,337	(4,647)	2,232	6,974	(16,633)	36
Breakeven duty cumulative position	9,004	4,357	6,589	13,563	(3,070)	(3,034)
Operating income	234,685	233,235	217,580	210,199	201,225	237,682
Cumulative breakeven position as a percentage of operating income	3.8%	1.9%	3.0%	6.5%	(1.5%)	(1.3%)